

Studying the Business Prospects of a Potential Handmade Chocolate Shop in Helsinki, Finland

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Abstract <p>The purpose of this study was to concentrate on assessing the possibilities of establishing a handmade chocolate shop in Helsinki, Finland. The research is mainly a marketing research and concentrates on meeting the marketing demand, the potential customers' expectations. By the further analysis and research of survey, the basic elements of establishing handmade chocolate shop will be listed. Based on this the basic principle of a business model can be formulated.</p> <p>The study involved resource collection and practical research. The theoretical information was found in library, school's data base and internet sources. The data collection was based on the relevant arguments of establishing a handmade chocolate shop. The practical research was carried out in Helsinki, in the form a questionnaire.</p> <p>The study illustrates the feasibility of establishing a handmade chocolate shop in Helsinki, Finland. The business prospect is considerable for the potential entrepreneurs. Furthermore, the study states the potential customers, purchasing power and marketing plan, etc. The interview research shows that the operation process of handmade chocolate shop could be easily managed and extended. Referring to the use of space and equipment, the price of handmade chocolate would be a little higher than normal chocolate products in Helsinki.</p> <p>Overall, through the planning and investigation, it can be said that establishing a handmade chocolate shop in Helsinki, Finland might be a lucrative investment.</p>			
Keywords Handmade chocolate, Business plan, Marketing plan			
Note			

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ABBREVIATIONS

4Ps	Place, Promotion, Product, Price
4Cs	Consumer, Cost, Convenience, and Communication
7Ps	4Ps+People, Physical environment and Process
BHAG	Big Hairy Audacious Goal
CRM	Customer Relationship Management
DIY	Do It Yourself
EEA	European Economic Area
HMCS	Handmade Chocolate Shop
IT	Information Technology
NBPR	National Broad of Patents and Registration
R & D	Research & Development
SBA	Small Business Administration
SMEs	Small and Medium-size Enterprise
SWOT	Strength, Weakness, Opportunity and Threats

1 INTRODUCTION

Chocolate products have become the most popular food types and flavors in the world. Especially in the western countries, the chocolate could be sweetened and fattened by adding refined sugar and milk as the sweets or desserts on their tables. The gifts of chocolate molded into different shapes have been traditional on certain holidays: Easter, Christmas or Valentine's Day.

According to Franchises (2012), a recent study in Great Britain showed that 91% of females and 87% males consume chocolate products. And now the chocolate products are more and more popular in high populated countries with developing markets, such China and India.

Business Environment

In Finland, the chocolate products market has been held by Fazer which has the market share around 65%. Karl Fazer sold the biggest range of chocolate products since the 1920s and they are the only powerful producer which could use the blue trademark in Finland since 2001. There are 7.5 million kilograms chocolate products produced by Fazer yearly. (Cocoakisses 2008) Frazer's turnover even reached 1.58 billion Euros (782 million Euros in Finland) in 2011 with 15,198 employees. (Fazer group's annual review 2011, 02)

Despite Karl Fazer, there are also some big chocolate producers in Finland, such as Leaf, Kultasuklaa Oy and Brunberg Oy. These companies powerfully affect the market price of chocolate products in Finland. It can be noticed that the Finnish market stays in the very steady level; foreign chocolate producers would be hard to enter Finnish market, the market share would be in lower level than native operators. (Fazer group's annual review 2011, 18-19)

Among all the competitors, the small entrepreneurs who share their value chain among big companies are the unnoticeable but very important participants. The small and medium-sized enterprises (SMEs) have very advantage position; they could obtain considerable revenue with quite low risks. The initial input (see Table 1) is not as big as big companies and small business is easily managed in a long-term period. (OECD 2010, 36)

Table 1. SME Definition,” COMMISSION STAFF WORKING DOCUMENT-on the implementation of Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises”.

SME Definition				
Enterprise category	Ceilings			
	Staff Headcount (number of persons expressed in annual work units)	Turnover	Or	Balance sheet total
Medium-sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

Actually the SMEs which involved in the chocolate production are quite dispersed; each of them has very little influence to others. That is the reason why they could survive in the economic recessions. What is more, the big companies are ambitious focused on expanding to the international markets while offers the opportunity for the SMEs in the native development. (OECD 2010, 138)

On the other hand, the SMEs chocolate companies could share the raw material market as the big companies; mature raw material markets offer the most acceptable market average price. Because of the limitation of emprise size and quantity, the large companies have no time and energy to face each individual SME. (OECD 2010, 88)

The SMEs usually have potential customers, who have special demand, added value which might be easily attached in the business activities. That is why customer's demand decides the market orientation and policies. Small firms seem to have organizational advantages that allow them to respond quickly to changing market demands. (OECD 2010, 161) Handmade chocolate shop would be a promising industry which combines a special feature by do-it-yourself (DIY).

Helsinki is the economic and political center in Finland and also a place of interest in the Nordic areas. People living in big cities usually have their convenience with the best transportation but also stand the fast working stress. This provides the business opportunity for the handmade chocolate shop to provide a place for the people to relax and entertainment in their free time. Of course, the business opportunities and profit would be more important for enterprise.

Research problem

What are the possibilities for this kind of a shop to operate in Finland and what kind of barriers there is to start a business in Finland and also during the operation period?

Business model

"The chocolate industry offers a wide variety of opportunities for the small business owner weathers economic recession well and is growing despite increased health consciousness and calorie" (Franchises 2012). In this kind of situation, the entrepreneurs who have plans enter this field have the best opportunity to start their business.

Just as Collins H. (ed. 2003) defined, Handmade is the process that things are made by hand, not by machine, especially with care or craftsmanship. People nowadays are quite interested in the handmade stuffs without the traces of the machine.

As a matter of fact, a lot of information was obtained in terms of operation and management from the market of China. In China, there are ready many handmade chocolate shops; even most of them are limited in the big cities, such as Beijing, Shanghai and Hong Kong. In Finland, there are many shops for handmade works not only in the food field, but also in the art and home decoration. It has become a kind of lifestyle in society, people more and more eager to pursue natural life environment far away from noise and stress.

“If an item is handmade, I usually value it more than if it had been mass-produced, especially when it comes to gifts.” (Dews 2010) Many people are quite attractive on this kind of lifestyle, just as what they said-DIY or Die. But not all the handwork could be executed at home, then the business model here provides the chance in the big city have their purchase for DIY, the shop offers all the tools and raw materials for the customers that they could do-it-yourself with their own designs.

What is more, the business model not only completes the business market while acquire appropriate profit, but also offers the communication platform among people. The participators would enjoy themselves in the making process.

Chocolate products could be designed by the customers, presented to friends in special days or decorated purposes at home, such Ester chocolate bunnies.

Expectation in the Shop Establishment

In the first place, apply the theoretical knowledge to practical research situation. Researchers would acquire research skills during the process of research, for instance, the principle of marketing lectures. This combination can strength the effective of applying the knowledge, also can verify the achievement of studies.

Business theoretical studies have been implemented for many years, but the knowledge is quite dispersing in different fields from the base to middle level. A project is needed to integrate all the knowledge; the thesis research might be very good chance that can evaluate the researchers in the real research environment.

What's more, though the assessment of this commercial pattern, evaluate and understand the feasibility of establishing a new business in Helsinki. Then offer the foundation and methods for the entrepreneurs who want to establish similar business.

Even many similar shops have been built in variety of areas, there is still not a business model how to start this kind of business from the beginning. This is usually the biggest barrier for the entrepreneurs who eager to establish a shop even they have plenty of capital investment.

2 MARKETING MANAGEMENT AS a PART OF BUSINESS PLAN

Marketing is all related to identify and meet human and social requirements. One of the shortest accurate definitions is “meeting needs profitably”. (Kotler and Keller 2012, 27) The marketing management is a kind of art and science to choose target markets, get, keep, and increase customers through creating, delivering, and communication superior customer value. (Kotler and Keller 2012, 27)

2.1 Business Planning

According to McKeever (2012, 2) after the working with hundreds of business owners, he has observed an almost universal truth about business planning: Writing a plan is a journey through the mind of one person. The complete business plan is significantly helpful for people who are starting a new business.

2.1.1 Content of Business Plan

A business plan is a written statement that describes and analyzes the business and gives detailed projections about its future. A business plan also covers the financial aspects of starting or expanding the business – How much money will be needed and how the entrepreneur will pay it back. (McKeever 2012, 8)

“A written document describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement” (ENTREPRENEUR). The complete and comprehensive business plan, including research, documentation, analysis, and review. (Covello and Hazelgren 2006, 7)

According to Finch (2010, 2) these are the two key questions that define how you will write the plan- that are, before beginning to write it, recognize exactly who the audiences are and what you want their response to be it. "There are two reasons for this: firstly, it is an enormous amount of work, and secondly, different parties might meet and compare in consistencies between their versions" (Finch 2010, 4).

The quick plan has these few components, which are the title page, plan summary, list of contents, problem statement, business description, business accomplishments, sales revenue prediction, profit and loss forecast, used capital, cash flow forecast, appendix, and all kind of supporting documents. (McKeever 2012, 3)

All plans have three parts but there are many ways to present this information, there are Concept, Customers and capital (or cash). In the illustration of concept, the entrepreneur should to know what business are it in, why is it the right business for this business to be in, what the business to be famous for, what do this business sell, why will people buy from this business, who are the competitions and how can this business stand out from the crowd. In terms of customers, who are the customers, what benefit can provide them, how many of customers are there, how many customers do the business needs, what are the customers buying patterns, where do the customers currently buy, how will the customers know about this business, what are the major and opportunities of this business. In the aspect of capital, how much capital does this business need, how can the shopkeeper maintain cash flow and liquidity, and how to control finances of this business, how much growth can this business afford. (Bangs 2002, 4)

According to McKeever (2012, 11) there are also some key business substances that are left out of this initial planning process with an overview of the issues that determine the success or failure in the small business. The bookkeeping describe the numbers and concepts that the business owner need in order to open and manage the small business, and one of the items generated by the accounting system is the balance sheet. In terms of the taxes, A CPA or tax advisor may help enterprise with tax strategies. The successful connection among the business and the market, the business environment, and the competition is ought to be affected by patents, franchises, foreign competition, location, etc. (McKeever 2012, 11-12)

The high quality requirements should contain the following issues, which is the company's business opportunities, the creation of the company, the complete process to grasp this opportunity, the company's business opportunities, the resources required, risk and expected return, the suggestion for the certain activities, and the analysis of industry trends. (Baidu-1 2012)

The business plan generally includes the following major substances, which are project profile, the company's research and development, product / Service, develop market, Competitors, Team members management, Revenue and Financial plan. (Chinacir 2011) The reader is actually looking for the certain thing that is unique which will give the edge for the business plan over everyone else. (Finch 2010, 69)

In terms of project profile which is crucial and challenging in business plan. The project profile gives the first impression for investors. The company's achievement of research and development can illustrate the research funding, the R&D personnel, R & D equipment, R & D products, technology advancement and development trends. The core value in the company is what the company sell or service, that is, the company will rely on what to make money. (Chinacir 2011)

Provided that enterprise wants to develop the market, it can be seen from three aspects which are the macro, micro, and its own market. The development of market cannot be isolate from the analysis of competitors. It requires the amount of sales of the product, growth rate and the product or service of competitors, thereby analyzing the company's own market segmentation, positioning, the amount of sales revenue and market share. (Chinacir 2011)

Internal management includes team members' management, the progress of revenue, and the management of financial plan. The strong management of personnel is especially crucial in the success of the enterprise. It is better the financial plan can be managed for more than three years. (Chinacir 2011)

Generally, the principles of writing a business planning should be concise, clarity, complete, smooth and easy to understand language, as well as meaning representation accuracy. (Finch 2010, 4)

2.1.2 Functions of Business Plan

According to Brassi (2010) the business plan is a written document that clearly identifies and defines the goals of a business and specifically outlines the methods to achieve them.

A business plan is also the document that is necessarily a blueprint for those burgeoning enterprise. (Jeseeph 2012)

It helps entrepreneurs and managers think the strategies, balance the enthusiasm with facts, and identify the limitation the development of busieness. (Covello and Hazelgren 2006, 7) And it will also help the people avoid potentially disastrous errors like undercapitalizing, creating negative cash flow, hiring the inappropriate people, selecting the failing location, underestimating the competitors, and pursuing the incorrect market. (Covello and Hazelgren 2006, 7)

As a Blueprint

A business plan is an important guide to starting, building and managing a successful business. The business plan define the main concepts such as company and business, it is sometimes the best weapon to convince the investors and banks to invest capitals into the business. Then the most possible purpose here is state the executive summary of the business. (Jeseeph 2012)

A successful business plan has to define the details of the business. What are the main products or services? What are the goals and objectives for the company in short-term and long-term? How are the competitors operate and the market environment? It is not only for the company where should go, but also the future management would rely on the plan. (Jeseeph 2012)

“Given the absence of clear benchmarks for evaluating performance levels, the measurement of small firm performance can be a complex area.”(Dollinger 1984, 10-20; Keats and Bracker 1988, 41-58) The business plan is more important for the SMEs during its building, management and evaluation.

According to the U.S. Small Business Administration (SBA), roughly 50 percent of small businesses will close within the first five years, reflecting a gap between small business owner intentions and results. Lacking of planning is one of the main causes. (Phillips 2009)

Product Marketing

A business plan should explain how to market the products or services to the potential customers in the target markets. (Jeseeph 2012) Usually, the company should choose the appropriate channel and media to reach customers; all of these marketing strategies are the foundation of an excellent marketing plan.

“Each product level within a business unit must develop a marketing plan for achieving its goals. The marketing plan is one of the most important outputs of the marketing process.”(Kotler and Keller 2012, 55-78) The final purpose is transferring the strategic plans to action plans for each part of the program.

As figure out, the marketing mix usually called 4Ps or 7Ps (Place, Promotion, Product, Price defined as 4Ps, then added People, Physical environment and Process defined as 7Ps) which are useful framework for deciding how the company's sources managed to achieve the objectives. (MarketingTeacher 2012)

There is also an important principle in the marketing plan-80:20 rule. That means the marketing plan should concentrate on the 20 percent of the products or service and 20 percent of the customers. All these methods would bring about 80 percent of the sales volume and also 80 of the profit. This rule clearly define the direction what should the marketers do in the variety of actions. (Sino-manager 2012)

Financial Forecast and Management

In the business plan, all the requirements needed to start the business should be listed to help the business man evaluate how to execute the business ideas. Among these requirements, the initial capital and costs must be the main part, it decides what is the capital ownership should be. (Jeseeph 2012) Other possible costs might include a place of business, equipment, the employees and marketing expenses. The investors and banks who take the venture to invest money into the business should clearly handle the possibility if the business would be operating well under their own evaluations.

All the financial requirements and their apportionments details should be clearly defined and explained in the financial part. Any potential investors would be interested in where their money would be used and how much they will get than other investments. (Jeseeph 2012)

Managing Risks

“The identification, analysis, assessment, control, and avoidance, minimization, or elimination of unacceptable risks. An organization may use risk assumption, risk avoidance, risk retention, risk transfer, or any other strategy (or combination of strategies) in proper management of future events.” (BusinessDictionary 2012)

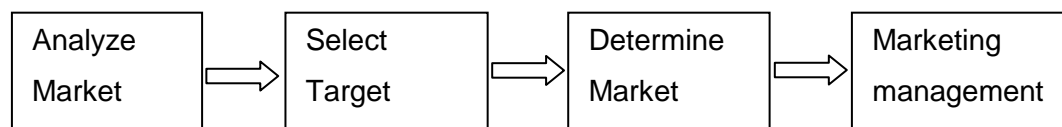
A new business organized, there are a lot of possible difficult would happen in the future. Therefore, the business risk management is needed. The idea behind using risk management practices is to protect businesses from being vulnerable.

In enterprise risk management, a risk is defined as a possible event or circumstance that can have negative influences on the enterprise in question. Its impact can be on the very existence, the resources, the products and services, or the customers of the enterprise, as well as external impacts on society, markets, or the environment. In a financial institution, enterprise risk management is normally thought of as the combination of credit risk, interest rate risk or asset liability management, market risk, and operational risk. (COSO 2004)

Many business risk management plans may focus on keeping the company viable and reducing financial risks. However, risk management is also designed to protect the employees, customers, and general public from negative events like fires or acts of terrorism that may affect them. Risk management practices are also about preserving the physical facilities, data, records, and physical assets a company owns or uses. (IBC 2012)

According to Walker and Mullins (2011, 20) the marketing is the entire suggests that the ability to create, manage, and sustain relationships with customers, vendors, distributors, and others may be become a key strategy competence for firms in the future.

Figure 1 depicts that enterprise marketing management process consists of the following four steps which are closed to each other: Analysis of Market Opportunities, Selecting Target Markets, Determine Marketing Strategy, and Marketing Campaign Management. (MBA Library-1 2012)



(Source: *Small and Medium-Sized Enterprise Marketing*. Li 1996, 14)

Figure 1. The Marketing Management Process.

The marketing management is the process that the company to achieve its mission and objectives, then to find, analyze, select and utilize the market opportunities. More precisely, Marketing management is consisted of the analysis of market opportunity, the selection of product or service, market segmentation, to determine the target market, to select the appropriate combination of marketing mix, which including product, price, place, and promotion; the management of marketing activities, which refer to plan, organize, implement and control. (Li 1996, 14)

2.2 Analyze market opportunity

To find, analyze and evaluate the market opportunity, is the major task for marketing staff, as well as the initial stage for marketing management. The collection of market information, including the newspaper, exhibition, the analysis of competitors' product and consumers' needs, brainstorm, can find and recognize the unsatisfied needs and new opportunity. Moreover, the analysis of market environment includes the internal and external environment. The method of product / market development matrix is effective to find the market opportunity (See Table 2). By means of market segmentation to find market opportunity, as well as the selection of target market. (Li 1996, 15)

Table 2. Product / Service Development Matrix.

	<i>Existing products</i>	<i>New products</i>
Existing market	1. Market penetration	3. Product development
New market	2. Market development	4. Diversification

(Source: Small and Medium-Sized Enterprise Marketing. Li 1996, 15)

Enterprises are not only to be good at identifying market opportunities, but also timely to take advantage of market opportunities. Evaluation of market opportunities is to analyze the quality of the market opportunity. Generally, the evaluation contains two aspects. Firstly, to evaluate the market opportunity whether can have enough customers. Secondly, after the market opportunity can hold the enough customers, whether the enterprise has corresponding operating ability. Enterprises only actively exploit high-quality market opportunities which can bring good benefits. (Li 1996, 15-16)

In order to exploit high-quality market opportunity, the enterprise need to further analyze the following questions – that are, what are the basic requirements to exploit this market opportunity, what are the advantageous conditions, and what are the threat from competitors. More specifically, who will buy the product, how much money they will pay, who is the competitor, what kind of distribution channels will be needed, how much about the marketing fee, etc. In other words, along with market opportunity to formulate marketing plan, to design the marketing strategy, implementation, control and review marketing strategy, which can utilize and translate the high-quality market opportunity into actual marketing benefit. (Li 1996, 16)

2.3 Target Marketing

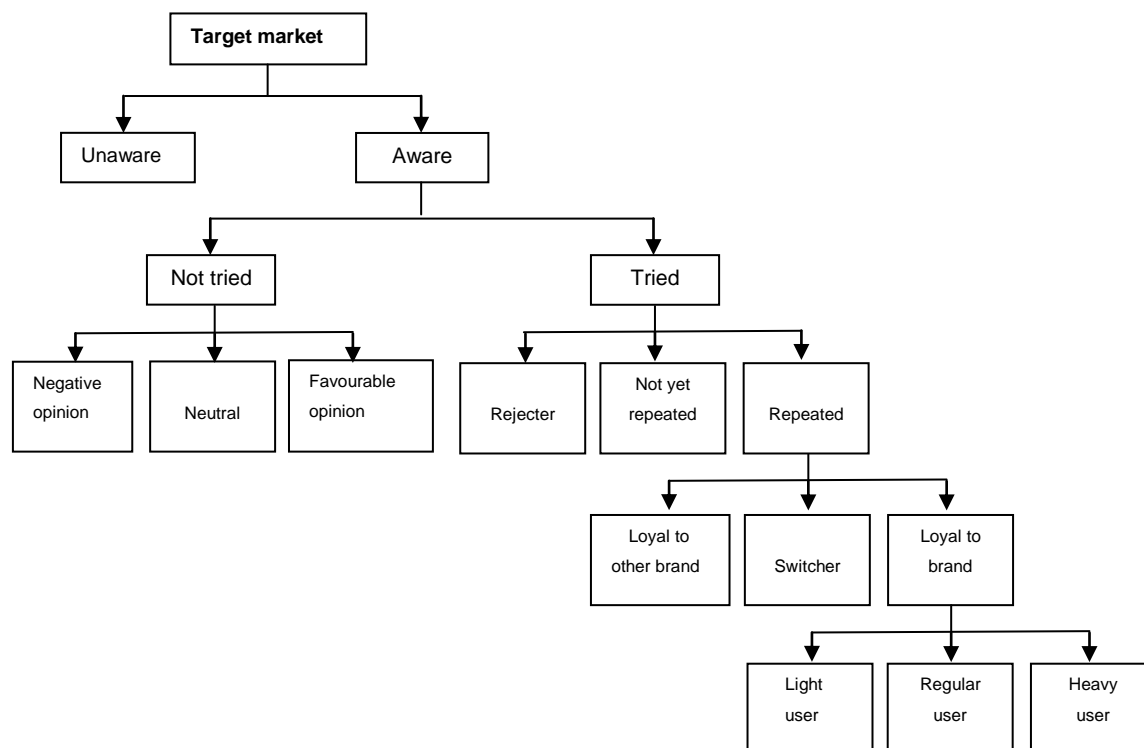
According to Kotler and Armstrong (2011, 214) the company must identify the parts of the market which can serve best and most benefit, thereby moving away from mass marketing and toward target marketing, which include identifying market segments, selecting one or more of them, and developing products and design the marketing programs to each.

Market Segmentation

Two foundations for segmenting consumer markets are customer characteristics and their responses. Business marketers need to flexibly use these along with operating variables, purchasing approach, and situational factors. (Kotler and Keller 2012, 258)

Market segmentation which means divides a market into well-defined sections. A market segment is made up of a group of customers who experience a similar set of requirements and wants. The tasks of marketer are to identify the appropriate amount and nature of market segments and determine which one or more of them to target. (Kotler and Keller 2012, 236)

According to Kotler and Keller (2012, 238) the demographic segmentation divide the market on variable such as age, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality, and social class. One reason of this method is so popular with marketers is that the demographic segmentation often associated with consumer requirements and wants. (Kotler and Keller 2012, 236)



(Source: *Marketing Management*. Kotler and Keller 2012, 251)

Figure 2. Behavioural Segmentation Breakdown.

Figure 2 depicts one possible way to breakdown a target market. Kotler and Keller (2012, 249-251) describe the behavioral segmentation, which is marketers divide buyers into groups according to their knowledge of, attitude toward, use of, or general response to a product. And then combining different behavioral bases which can provide a more comprehensive and cohesive standpoint of a certain market and its segments.

Another method is the psychographics – that is, the science of using psychology and demographics to better know customers. In psychographic segmentation, buyers are generally divided into different groups on the basis of psychological traits, personality traits, various lifestyle, or value. People who have the same demographic group can be exhibited vary different psychographic data. (Kotler and Keller 2012, 247)

The market segmentation is not only conducive to enterprises to find new market opportunities, but also contribute to the selection of appropriate target market, and effective allocation of limited resources, in order to concentrate on better customer service.(Li 1996, 16) “To be useful, market segments must be measurable, substantial, accessible, differentiable, and actionable”(Kotler and Keller 2012, 258).

Market Targeting

According to Kotler and Keller (2012, 253), after the firm has identified their opportunities of different segmented markets, it must decide the amount and which one to target. Marketers are now increasingly combining those criteria.

In the evaluation of different market segments, the firm must pay attention to two factors which are the overall attractiveness of segment and the objectives and resources of company. Marketers have a range of possible levels of segmentation that can give the guidance to their target market decision. (Kotler and Keller 2012, 254)

The target market can be divided into four main levels: mass, multiple segments, single (or niche) segment, and individuals. Only very large firms can conduct the full market strategy. The ultimate level of segmentation leads to one-to-one marketing. The selective specialization means a firm selects a scope of all the objectively attractive and appropriate possible segments. It also has the advantage to diversify the firms risk in some extent. In single-segment concentration, this means the firm markets to only one particular segment. (Kotler and Keller 2012, 256 258)

Market Positioning

Market positioning is the marketing activities refer to how enterprises' products contact to customers after the decision of market targeting. (Li 1996, 19)

Provided that the marketer will undertake a development of an effective positioning, the company must analyze competitors, and also the actual and potential customers. Marketers need to grasp the strategies, objectives, strengths and weakness of other competitors. The development of a position needs the decision of a frame of reference – by identify the target market and resulting nature of the competition, the optimal points-of-parity and any possible points-of-difference brand associations. (Kotler and Keller 2012, 316)

2.4 Marketing mix

The marketing mix is the enterprise to use the integrated, coordinated controlling factors, in order to occupy the target market, to meet customer demand. It contains product, price, place and promotion. (Li 1996, 19)

Product

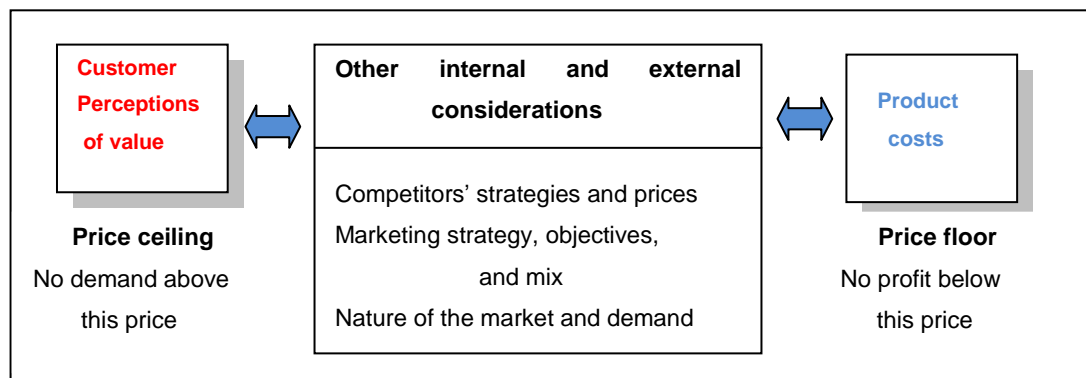
According to Kotler and Armstrong (2011, 248) a product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Product is a key factor in the overall market offering. In the beginning of marketing-mix planning build an offering that deliver value to target consumers. “Services are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything” (Kotler and Armstrong 2011, 248).

Many companies are moving to a new level in creating value for their consumers, in order to differentiate companies’ offers, beyond simply making products and delivering services, companies are creating and managing customer experience with their brands or company. (Kotler and Armstrong 2011, 248)

Marketers determine product and service decisions at three levels which are individual product decisions, product line decisions and product mix decisions. (Kotler and Armstrong 2011, 253) The product attributes, branding, packaging, labeling, and product support services shows the importance of decisions in the development and marketing of individual.

Price

In the understand definition, price is the amount of money which will pay for a product or a service. In wider explanation, price is the values that customers will give up in order to gain the benefits of having or using a product or service. Price is the only factor in the marketing mix that produces benefit while all other elements stand for costs. (Kotler and Armstrong 2011, 314)



(Source: *Principles of Marketing*. Kotler and Armstrong 2011, 315)

Figure 3. Considerations in Setting Price.

The figure 3 summarizes the major considerations in setting price. Customer perceptions of the product's value set the ceiling for price which means that the customers will not buy the product if they think the price is higher than its value. On the contrary, if the price below the floor for costs, the company will lose money. The price between these two extremes, the company must consider several internal and external factors, including competitors' strategy and prices, the marketing strategy, objectives and mix, and the nature of the market and demand. (Kotler and Armstrong 2011, 315)

Cost-plus pricing relate to setting prices based on the costs for producing, distributing, and selling the product add a fair rate of revenue return for its effort and risk. The cost may be a crucial factor in its pricing strategy in companies. Overhead costs are costs that do not change in different production or sales level while variable costs vary directly with the change amount of production. The fixed costs plus variable costs in any given level of production is the total costs. (Kotler and Armstrong 2011, 319-320)

The simplest pricing method is cost-plus pricing which adding a standard markup to the cost of the product. To illustrate markup pricing, suppose the following costs and expected sales: (Kotler and Armstrong 2011, 321)

Variable cost	10€
Fixed costs	300,000 €
Expected unit sales	50,000€

Then the cost per product is given by the following:

$$\text{Unit cost} = \text{variable cost} + \frac{\text{fixed costs}}{\text{unit sales}} = 10€ + \frac{300,000€}{50,000} = 16€$$

To suppose the desired return on sales is 20 percent. The markup price is given by the following:

$$\text{Markup price} = \frac{\text{unit cost}}{(1 - \text{desired return on sales})} = \frac{16€}{1 - 0.2} = 20€$$

Then the every product would be charged for 20€ and make the profit of 4€ per unit. (Kotler and Armstrong 2011, 321)

These are some reasons for the popularity of the cost-pricing. First, sellers are more certain about costs than demand. From the decision from the price to cost, sellers simplify pricing. Second, when almost all firms in this industry use this method of pricing, prices tend to be similar which will decrease the risk of competition. Third, many people get the feeling that cost-plus pricing is fairer to both buyers and sellers. (Kotler and Armstrong 2011, 322)

Distribution Channel – Direct Marketing Channels

As more companies feel that good distribution strategies can strongly make contribution to customer value and create competitive advantage for a company. (Kotler and Armstrong 2011, 363) Companies can always design their own distribution channels to effectively deliver products and services to customers in different ways. Each level of marketing intermediaries that perform some work in taking the product and its ownership closer to the final consumer is a channel level. (Kotler and Armstrong 2011, 367)

The number of intermediary levels illustrates the length of a channel which depicts some consumer distribution channels of different lengths. The direct marketing channel which has no intermediary levels – that is, the company sells directly to customers. (Kotler and Armstrong 2011, 367)

Promotion – Personal selling & Sales promotion

Personal selling is the most effective tool in buying process, especially in building up the preference, convictions, and actions of buyers. The process refer to person interaction between two or more people, that means each person can observe the other's needs and characteristics then make quick adjustments for the requirements. It is effective to keeps the customer's interests at heart to build a long-term relationship by solving a customer's problem" (Kotler and Armstrong 2011, 448).

Sales promotion includes a broad assortment of tools – coupons, contests, cents-off deals, and others. The sale promotion need to attract customer attention, offer strong incentives to purchase, and can be used to dramatized product offers and boost sagging sales, the effects of sale promotion are often short lived.(Kotler and Armstrong 2011, 449)

But these unique qualities require relatively high costs. Personal sales can create a longer-term commitment than advertising; it is also the company's most expensive promotion tool. Finally, the buyer will feel a greater need to listen and respond. (Kotler and Armstrong 2011, 449)

2.5 Marketing strategy

Marketing strategy as a functional field, include the 4 Ps (or 7 Ps) of marketing which are product, price, place, promotion, people, process and physical evidence. (Booms and Bitner 1981) The word strategy first became a popular business buzzword during 1960s, and then it continues to be the subject of widely differing definitions and interpretations. (Waker and Mullins 2011, 6)

Marketing strategy includes two main components, which are the selected target market and the formulation of marketing mix strategies, to meet the needs of the target market. (Friedman 2011)

Planning is one of the most important roles of management. It is a communication tool combining all the elements of the marketing mix in a coordinated action plan. It spells out who will do what, when, where and how, to achieve its ends. (Westwood 2011) Each level of product within a business unit must advance the marketing plan for achieving its objective. (Kotler and Keller 2012, 78)

Marketing strategy is the enterprises adapting to the environment and adjusting to the market changes. From the strategic and long-term prospective to resolve the problems of marketing, plan the new overall marketing activities. The first purpose of marketing is to create customer, acquire and maintain the customers, to consider how to effectively beat the competitors, making the company in an invincible position. Furthermore, it focuses on the market research, collection and analysis of massive information, to make the right decisions in the uncertain and changeable environment and market. Actively promote the innovation is also crucial to its balance between extent and effect. (MBA Library-1 2012)

2.6 Building Strong Brand

“Building a brand helps customers in their decision-making, creating a perceived knowledge of what they are going to buy, before they buy it.” (Kotler and Keller 2012, 264)

Brand & Brand Equity

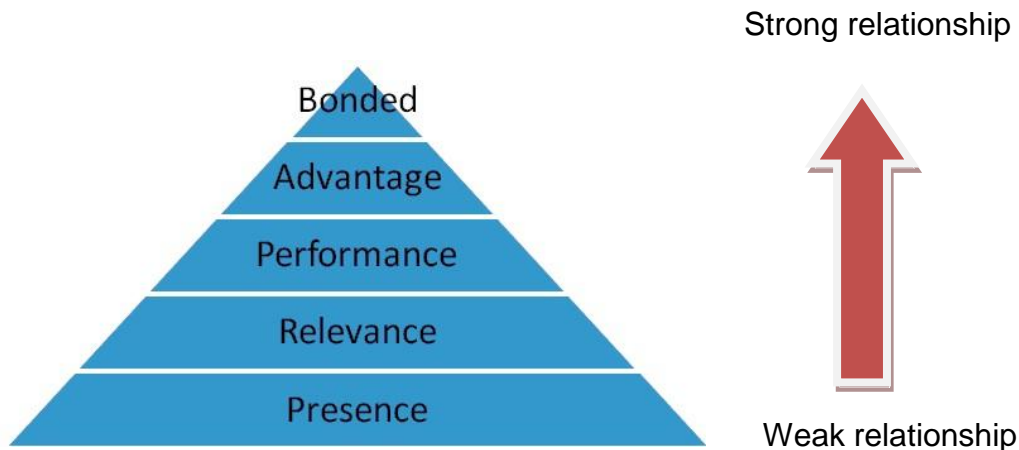
The American Marketing Association defines a brand as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.” (Kotler and Keller 2012, 263)

Brand is what customers think about the business. Customers might evaluate the product based on how it is branded. They learn which brand should be suitable for them to purchase through their previous experience. And the people are living in an impatient society that brand makes it easy to make a decision which also reduces the risk in the purchase. (Kotler and Keller 2012, 264)

On the other hand, the firms could also get benefits from brand. They are easy to manage all the products in the same category. Meanwhile, the brand also protects the firms by legal methods such as trademark, patent and copyright that they can safely invest in the brand. (Kotler and Keller 2012, 265)

“Brand equity is the added value endowed on products and services. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability the brand commands. ” (Keller 2008, 49)

There are quite many models to describe the brand equity, here is the BRANDZ model which divides the brand equity into five levels that each person matches one of these levels. (See Figure 4) The BrandDynamics Pyramid shows the number of consumers in each level which they have reached.



(Source: BrandDynamics™ Pyramid from Millward Brown)

Figure 4. BrandDynamics™ Pyramid.

- Presence: consumers are familiar with the brand promise
 - Relevance: the brand is relevant with consumers' life and in the appropriate price range
 - Performance: the branded product could deliver the acceptable performance to customers
 - Advantage: the brand product has very advantage position than other brands in the same category
 - Bonded: people have very emotional to the brand than any other brands
- (Kotler and Keller 2012, 268)

Branding Strategies

A firm's Branding strategy-often called the brand architecture-reflects the number and nature of both common and distinctive brand elements. Deciding how to brand new products is especially critical. A firm has three main choices:

- It can develop new brand elements for the new product.
- It can apply some of its existing brand elements.
- It can use a combination of new and existing brand elements.

(Kotler and Keller 2012, 282)

In the first place, it is necessary to assess the business, what are the core competencies of products or services? Who are the potential customers and how they like on the products? How favorably the business viewed by customers? How far the business will be developed based on its core competencies? (GREEN 2006)

Then the brand identity should be defined after assessing the business. And the most important principle is what the customer's think about the business. Business brand must reflect what customer's need and demand. It is quite important to connect core competencies with the brand value which brand would bring to the business finally. (GREEN 2006)

After self-assess on the business, the company should build the message channel to deliver the brand value to the customers before what they exactly contact with the products or service. Make sure that staffs inside understand the brand value and believe in it, that could ensure the expansive outside be more fluently. Just like what Tsai (2009) said, branding should be start from inside out.

Brand actually offers the best platform to extend the product range, the new products or service could be defined as the sub-brand that would be easy to reach customers. Of course, the new products or service have to obey the initial brand value in the umbrella brand. A brand mix is the set of all brand lines that a particular seller makes (Kotler and Keller 2012, 283).

Brand Positioning

"Positioning is the act of designing a company's offering and image to occupy a distinctive place in the minds of the target market."(Ries and Trout 2000)

To develop an effective brand positioning, the first thing should to do is analyzing the competitors. Marketers need understand the competitors' strategies, objectives, strength and weakness well. The company's closet competitors must have the same customers and market identity. According the analysis from competitors, the marketers should seek the possible market place for their own products or services. This offers the optimal to identify the target market. (Kotler and Keller 2012, 312)

Then a brand positioning has to identify the relevant differentiation. The product has its competitive advantage than the competitors' similar products. Marketers should make sure the product is unique or meaningful to the customers. Usually, the differentiation could come from employee, channel, and image and services differentiation. (Kotler and Keller 2012, 312)

Building brand for a small business is challenge because of the limitation resources and budgets. Thus the marketing plan and implementation process must be very careful than general brands. According to Kotler & Keller (2012), here are some guidelines for small business to brand:

- Creativity conduct low-cost marketing research
- Focus on building one or two strong brands based on one or two key associations
- Employ a well-integrated set of brand elements
- Create buzz and a loyal brand community
- Leverage as many secondary associations as possible

2.7 Customer Relationship Management (CRM)

“Customer relationship management is a multifaceted process, mediated by a set of information technologies, that focus on creating two-way exchanges with customers so that firms have an intimate knowledge of their needs, wants, and buying patterns”(Jha 2008, 2).

What is CRM?

CRM is business strategy and therefore more than a functional strategy alone. It affects the organization in a company, for example, production, logistics, finance, R&D and HR department etc. The CRM strategy provides the method how to contact with the customers. Company should always know customers' demand in different periods and meet their needs. (Peelen 2005, 6)

Customer Relationship Management (CRM) is the process that managing all the customers' information and individual preference in the data base. It offers the direct statistics to managers before they make business decisions. (Reinartz et al. 2004, 293)

The focus of CRM is the business process which related to customer relationship of automation and improves sales, marketing, and customer service and support areas. CRM is not only a principle of the system, but also a set of software and technology. Its goal is to reduce the sales cycle and costs, increase revenue, find new markets and channels, and to improve the customer value, satisfaction, profitability and loyalty. (CNQR 2012)

A business strategy is expected in the CRM building process, the purpose is the development of long-term, mutually profitable customer-supplier relationships. All the actions would be committed to place the customer in a more central position. Firstly it is necessary to understand customers' needs, then analysis the natural characteristics of the products or services. The gap between customers' expectation and existing products should be developed. (Peelen 2005, 7)

2.7.1 Customer Relationship Management Process

"The starting point is that all promises need to be realistic and honoured. It is easily to make a promise, but high ethical standards are required to honour them" (Lahtinen and Isoviita 1994, 23). The basic content is how to effectively change the enterprise's day-to-day management, to improve the customer relationship management efforts. (MBA Library-4, 2012)

To perform CRM plan must go through a three-stage process.(1) Identify target customers; (2) Meet customer needs; (3) Maintain a lasting relationship with target customers (See Table 3) .(Kotler et al. 2001, 130)

Table 3. Customer Relationship Management Process.

Phase of CRM	Key activities
Identify target customers	Defined target market Strive for target customers
Meet customer needs	Transform customer value into actionable customer benefit Launch market products or services to meet customer choice
Maintain a lasting relationship with target customers	Design market intelligence information Acquire ideas from customer information

(Source: Marketing Moves. Kotler et al. 2001, 130)

Identify Target Customers

Identify target customers, including defined target market and strive for target customers. All marketing activities are derived from the defined target market. In order to achieve the purpose of striving appropriate target customers, the Marketers must regularly review the assumptions of “Who is the customer”. (Kotler et al. 2001, 131)

Enterprise can get customer information from internal accounts, customer service systems and customer database, as well as the marketing programs and membership system to acquire the customer information. Whichever approach, must obtain the customer's true and specific identity for the sake of the next step to expand the exchange and interaction with customers.(Wang 2010, 39) Marketers should spend more time and energy on higher value customer in term of contact and services.(Kotler et al. 2001, 133)

Meet Customer Needs

The marketing staff must translate customer needs into actionable customer benefit. (Kotler et al. 2001, 135) The real needs of customers is a basic starting point for enterprises to establish effective customer relationship, without understanding of the real needs of customers, it is impossible to carry out interactive contact and exchange with customers, and other substantive activities of customer relationship. Enterprises should be positioned on effective measures to meet the customer's specific needs, including the hidden real needs of customers. (Wang 2010, 41)

Provide personalized service, product, or meet customers' special needs. In order to meet the most value of customer needs, companies should personalize the communicating methods, products and services, the degree of personalization should corresponding with customer needs.(Wang 2010, 40)

Maintain a Lasting Relationship with Target Customers

Without the grasp of customer purchasing patterns, demographic variables, psychographic variables and market intelligence systems, customer relationship management cannot be able to play a role. Knowledge is a kind of editing, validation, and uses the meaningful way to analyze the information. (Kotler et al. 2001, 138)

Enterprises must define the needed customer information to be stored or accumulated. Companies must track the record of the most important information which is the customer's purchasing history and questions, that information can indicate the customers' requirement and preference. (Kotler et al. 2001, 140) It is just when good service is continuous, it is good service. (Lahtinen and Isoviita 1994, 52)

2.7.2 The Value and Implementation of CRM

According to Statt (1997, 5) the CRM see the need for prediction and control in trying to isolate cause and effect in buying behaviour, while emphasizing the importance of understanding the life of the consumer in all its messy complexity.

The Value of CRM for Enterprise

The CRM can improve efficiency for enterprise. “Customer satisfaction with a 5% increase in profits of an enterprise will be doubled” (CISCO 2001). Go through the application of IT, it can improve the degree of automation of business processes in order to achieve the sharing of enterprise-wide information. Furthermore, CRM can improve the employees’ working ability, and effectively reduce the needs of training, which enable to be a more efficient operation. (Baidu-2 2012)

CRM can enhance the company's reputation, increase customer loyalty degree, reduce the operating costs, thereby increasing sales and profits of the enterprise. (Lei 2005, 196) “A very satisfied customer’s willingness to purchase will be six times as satisfied customer” (LeBoeuf 2012).

CRM can retain customers. “2/3 customers leave their supplier because customer care is not enough” (CISCO 2001). In effective management of customer relationship, customers can choose their own favourite way to communicate with the enterprise, as well as more convenient channels to acquire information and to experience better service. Provided that the customer satisfied increase, it can help enterprises to retain old customers and attract new customers in the meantime. (Baidu-2 2012)

The Implementation of CRM

The enterprise should effectively manage the company's customer resources. To establish the complete customer information, including static information, dynamic transaction and service information. It can enable the customer resource to receive the unified management, maintenance and utilization. (Lei 2005, 197)

To accept the request of customer service and to handle the customer complaints, establish a unified "customer contact management", as well as the unified actions which are conducted by the customer service representative. (Lei 2005, 197)

The enterprise should provide efficient services. Under the standardized service specifications and the support of service processes, it can enable service personnel can efficiency provide services to customers. (Lei 2005, 197)

The CRM require get the information from customers, which means to collect customer needs, to verify the quality of service, and to assess customer satisfaction, as well as certain activities, such as market research, new product promotion. (Lei 2005, 197)

3 MARKET ENVIRONMENT ANALYSIS IN FINLAND

The most important issue that has to be figured out is the duration of the market analysis should be renewed every year. Just like Berry (2005) said, whether starting a new business or reviewing an existing business, renewing the market analysis at least every year is necessary. A business should always watch for the market changes.

3.1 Market Size and Trend

Concern on the market size and future growth in the market plan, this is quite rising business in the market. And most of the potential customers are willing to try the products or service in the questionnaires, it is very positive to expand the business in the market even it would occupy the little percentage among big chocolate producers. Demand makes the decision to production and the market size.

The competitor analysis may give the toughest time; especially it is new to the marketplace. First, it is necessary to look at the direct competitors. The handmade chocolate producers in Helsinki are very rare even in Finland area. Just presented in the survey, only a few of the respondents stated they knew this kind of business. It is not big deal to occupy the handmade chocolate market in Helsinki.

But the indirect competitors are very tough to deal with. The indirect competitors would be other chocolate producers in the same downtown area, even upscale ones. As mentioned in the business environment section, Karl Fazer sold the most range of chocolate products that almost 65% of the all chocolate and candy market in Finland. (Cocoakisses 2008) What is more, Leaf, Kultasuklaa and Brunberg are also the very powerful competitors in Finland. Finns have been very loyal customers for these big native brands, there is no possible to grasp the market share from them.

On the other hand, the handmade chocolate business is very small business. This is the biggest advantage for this business to survive among these big companies. SMEs are marginal branches in the whole industry because of the enterprise scale limitation, that they are easy to avoid the market risks under the umbrella of big companies. (OECD 2010, 36)

Examine any substitutes. In the first place the candy products can be figured out. Just like the Fazer, they also involve in the candy field because they are almost in the same product range. In Finland, candies could be found not only in candy shops but also in a variety of markets. These products are almost produced from factories with machines. The business would bring fresh blood into this business field.

3.2 SWOT Analysis of Handmade Chocolate Business

“A tool that identifies the strengths, weaknesses, opportunities and threats of an organization. Specifically, SWOT is a basic, straightforward model that assesses what an organization can and cannot do as well as its potential opportunities and threats.”(INVESTOPEDIA 2012)

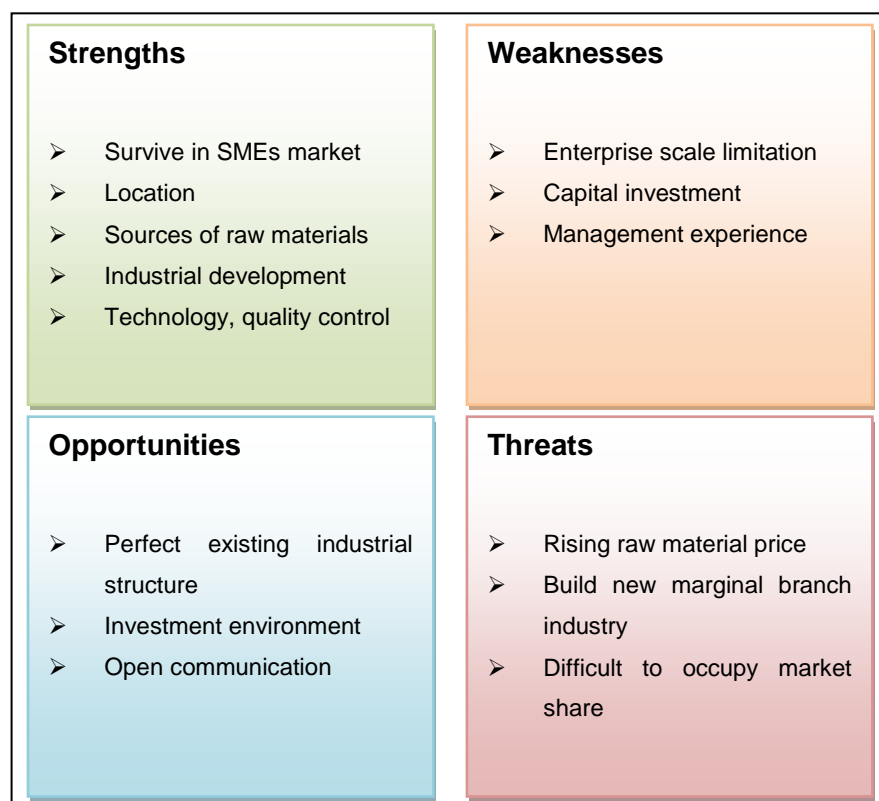


Figure 5. SWOT Analysis for Handmade Chocolate Shop.

Before the execute process, it is essential to have very clear understand about ourselves both internal and external analysis. Then direction is clear that where should go.

Strengths

As analyzed, Finnish chocolate market has been control by a few native big companies. Then it is more difficult for big change in the chocolate market, meanwhile the SMEs get the advantage position to develop the industry deeper. The SMEs could run with scissors among big companies who try to keep the market more stable.

As easily seen, the information has been got from the survey; the shopping center or stations would be chosen where high visitors flow rate. The location advantage is the important element to influent the sales especially for this food products. Even in this place, it might have more competitors who operation in similar fields, it could attract a lot of customers' eyes.

It would be a little difficult to obtain plenty of raw materials in some countries like China where can afford enough chocolate products. But as found, Finland is a traditional western country in sweets side that chocolate and candies are the life daily necessities. Then the chocolate industry has very good bases for the chocolate enterprises to obtain plenty of raw materials, to say the least, the chocolate production doesn't need very much raw materials support because of the limitation of enterprise scale.

In the surveys, customers are willing to accept different kinds of new business which satisfy their marginal needs. Usually these needs are offered by SMEs, so SMEs always have space to develop even in a mature market. Customers need more freshness by importing new elements to the group.

In the first interview with the Chinese entrepreneurs, the production process was clearly presented in the real work space. In Finland, it must be easier to obtain the machine and equipments based on the western food structure.

Weakness

In this business model, the enterprise scale would be limited. The survive environment is tough for small business meanwhile the reasonable profitability must be ensured.

On the other hand, the big companies could handle the financial risks because they have enough financing support from their investors and banks. But in SMEs, the investment usually comes from individual owner, which is the reason SMEs couldn't come over crisis in many cases.

For this handmade chocolate business, it is very new business model in Helsinki, so it could not have much reference to operate the business even there are many shops somewhere because of the differentiate between regions. What is more, the shop owner has no experience about the consumption behaviors of Finns unless employing the native citizens to operate the business.

Opportunities

This new business apparently is the compensation for the market system if the business contains very new and unique elements. In Finland, the big chocolate companies know how to occupy the market share, but the handmade chocolate model has the different operation and then different consumption group. It decreases the competition risk with big companies when face to face.

And new business must bring new investment which could attract many new investors and also banks. Because food industry is the base industries related to people' daily life, so the international economic crisis can't have obvious influence on it. The investors have more interests for the base industry especially in the crisis periods.

Another import element to develop the SMEs is the international business communication system. Many excellent entrepreneurs have very good chance to communicate and exchange the experience with each other. In Finland, there is a perfect open business environment for the entrepreneurs to obtain enough business instructions.

Threats

As mentioned before, the raw material market is very stable because of big companies in Finland have very developed business environment. But also the raw material price might have fluctuation while the whole international economic turmoil.

Even the handmade chocolate is marginal branch business, but it is also surrounded by the similar substitutes in the market. For instance, the candy products are the main substitute which has the similar marketing strategies. These customers might attracted by other competitors if there are many similar shops appear in the future.

Just as said, big companies have many advantages in the competition. They have the initiative when market adjust happens. The big companies elbow out or merger SMEs in many crises.

3.3 Business Research as a Tool in Business Planning

Business research is a systematic inquiry which can provide guidance to managerial decisions. (Cooper and Schindler 2011, 4)

Business research is an important management activity that helps companies determines which products will be most profitable for companies to produce; the research provides the needed information that guides managers make decisions to maximize the business performance. (Vitez 2012) And the Figure 6 shows the hierarchy of organization by using the amount of business research.

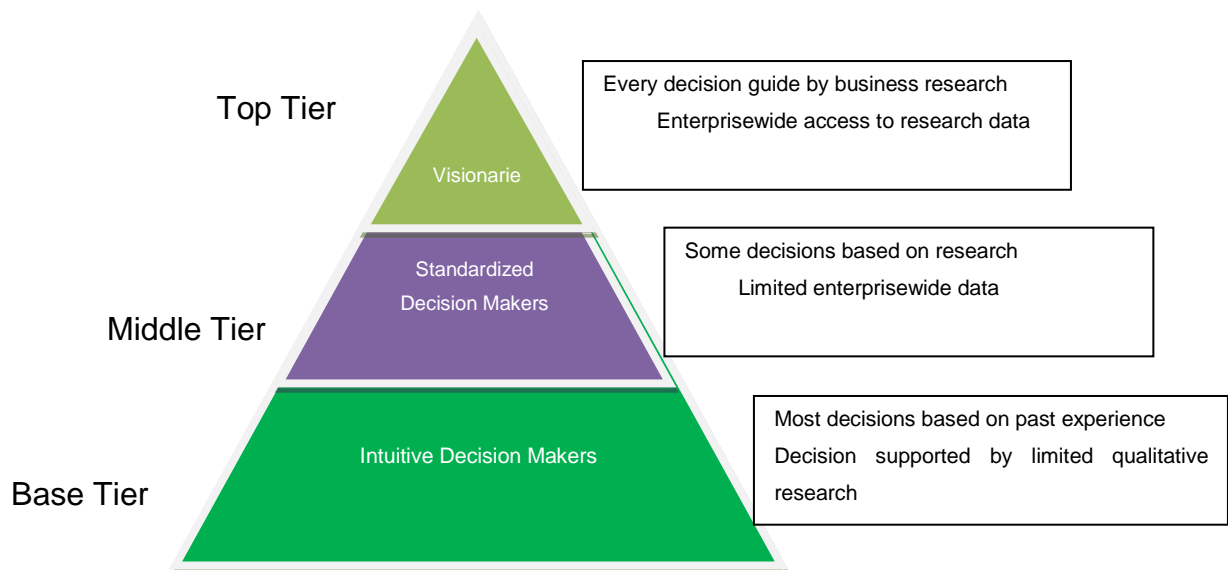


Figure 6. Hierarchy of Information-Based Decision Makers.

(Source: Business Research Methods, Cooper & Schindler, 2011, 77)

Usually, a company needs make many decisions everyday by its manager, how to ensure the quality of these decisions would influent positive on the company's activities. Business research could provide the firsthand support which direction the company should go after professional investigation. The manager what should do just compare the problems company face and the output from the business research. Then the manager would easily make the decision based on the practical research results. (Greener 2008, 12)

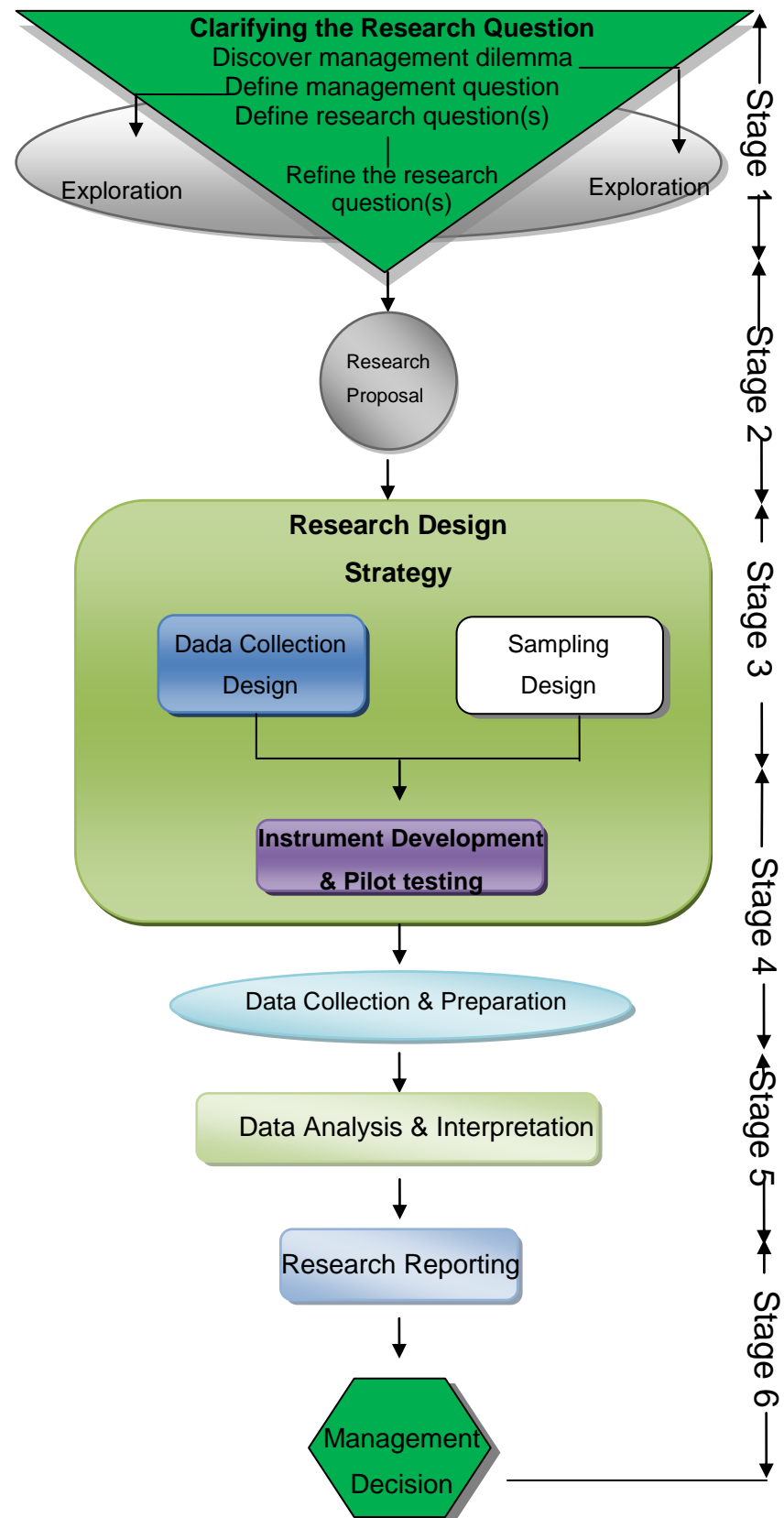
Of course, the business research can't be treated as the tool that company use every time the manager need make a decision. It is usually executed when company have to solve some problems. Business research has to be motivated by the problems in order to find the possible solutions. That is why the researcher has to define the research problems, and evaluate the output in the end of the research. (Greener 2008, 15)

What is more, business research is very effective weapon to compete with other competitors, especially in the small business. The small business has no advantages in the sources and capital; they have to make every better decision for more excellent performance. Otherwise, the SMEs are easily eliminated through the competition. (Greener 2008, 11)

Another function the business research could bring is avoiding the business risks. Some of the potential risks would be appear during the business research. For example, the business would find if the customers favorable on a new product, whether the new product has negative impact on the previous image which company built. (Greener 2008, 43)

Business people aren't likely to invest in a company or organization without adequate research and statistics to show them that their investment is likely to pay off. Large or small business research can also help a company analyze its strengths and weaknesses by learning what customers are looking for in terms of products or services the business is offering. (wiseGEEK 2012)

3.3.1 Research Process



(Source: *Business Research Methods*, Cooper & Schindler, 2011, 80)

Figure 7. The Research Process.

Stage 1: Clarifying the Research Questions

In this stage, the problem happens to the company which might affect the operation activities should be identified. And try to find out the possible information hidden in the phenomena to explain it. Finally the research question should be defined before the real research process. (Cooper & Schindler. 2011, 81)

Stage 2: Proposing Research

Here, the researcher should evaluate the possibility to find out the solution to the problem, and outline the entire research plan. Research proposals contain extensive literature reviews and must offer convincing support of need for the research study being proposed (Writing Center 2004).

Stage 3: Designing Research Project

The research design is the blueprint for fulfilling objectives and answering questions. (Cooper and Schindler 2011, 87)

Obtaining relevant evidence entails specifying the type of evidence needed to answer the research question, to test a theory, to evaluate a programme or to accurately describe some phenomenon. In other words, when designing research it needs to ask: given this research question, what type of evidence is needed to answer the question in a convincing way. (Cooper & Schindler, 2011, 88)

Stage 4: Data Collection and Preparation

Data collection is the core process that the inaccurate data might impact the study of the research lead to invalid result. Usually the data collection could be divided into two main method- qualitative and quantitative research. Data can be collected in the form of words on a survey, with a questionnaire, through observations, or from the literature. (Cooper & Schindler, 2011, 89)

Stage 5: Data Analysis and Interpretation

After the data collection, the manager can't read the direct information from it. Data analysis and interpretation is the process of assigning meaning to the collected information and determining the conclusions, significance, and implications of the findings (OIRA 2012).

Stage 6: Reporting Results

The final stage is reporting the findings and solutions to the initial defined problem. The style of the reporting and organization would be arranged based on the target audiences. It must be accepted and understood by the information user or manager. (Cooper & Schindler, 2011, 92)

3.3.2 Quantitative Research & Qualitative Research

The most common methods in the quantitative data gathering strategies are: experiments, observing and recording well-defined events, obtaining relevant data from management information system and survey with questions. Among these, the fourth method usually applied like questionnaires in the business research. (Greener 2008, 17)

Quantitative research method is used:

- to describe variables;
- to examine relationships among variables;
- to determine cause-and-effect interactions between variables;

(Burns and Grove 2005, 23)

Quantitative research method can reach a lot of people in a very trustful environment, but quite majority of the questionnaires are not easy to get back. (Burns and Grove 2005, 24)

Qualitative data collection methods play an important role in impact evaluation by providing information useful to understand the processes behind observed results and assess changes in people's perceptions of their well-being. (UWEC 2012)

The interview is the primary data collection technique for gathering data in qualitative methodologies. (Cooper and Schindler 2011, 168) This interview could be executed by individual or by group. Interview requires the interviewer very plenty of professional and appropriate skills and interviewer has to stand in the neutral position conducting not controlling the interview.

According to McNamara (1999, 53), interviews are particularly useful for getting the story behind a participant's experiences. The interviewer could push the conversation around the topic with interviewees. Interviews may be useful to support the questionnaires in the quantitative research.

3.3.3 Ethics in Research

Different persons in the daily life might have the different criteria on the ethics because of individual value and experience. Many elements affect the form of moral principle. (Greener 2008, 40) According to Jobber (2011), generally a lot of principles are involved in the ethical issues. Now, the following aspects are more important in the research process.

Honesty

This requires the researcher to obtain research data and result even research methods honestly. The researcher can't acquire the result by fabricating, falsifying or misrepresenting data. (Greener 2008, 42)

Objectivity

Everyone has his/her own criteria to evaluate things even it is not the common accepted one. So bias is better avoided or minimized in the research; the research result should be justified for the development of society. (Greener 2008, 44)

Openness

The research data and result should be shared with all others. The criticisms from others could motivate more new ideas and improve the research performance. This also is the good method to prevent researcher from fabricating data because social pressure. (Greener 2008, 46)

Social Responsibilities

The researcher has to guarantee the behaviors no harms to the society during the research. Usually, the influence from the thesis can't be large to various aspects, but the minimum negative affects is necessary for the overall harmonious. (Greener 2008, 45)

Legality

The research has to be executed under the relevant laws and policies. The social rules are strictly obeyed in humans' behaviors. Ethical norms are different from laws in the society; the ethics is broader and more informal than laws. Rules, laws and policies are very important, but they can't cover all the situations, they often conflict and they need more interpretation. Therefore, the researcher has to learn interpret the research rules under ethical level and make decisions responded to various situations. (Greener 2008, 41)

4 RESEARCH ON POTENTIAL OF HMCS

The Quantitative data collection methods rely on random sampling and structured data collection instruments that fit diverse experiences into predetermined response categories. (China-database 2002)

Qualitative data can be considered to be the rough materials which researchers collect from the world that they are studying, as well as the particulars that form the basis of analysis. (Bogdan and Biklen 1992, 106)

4.1 Quantitative research – Questionnaire in HMCS

The research is the conditional analysis over establishment of Handmade Chocolate Shop, as well as potential customers, involving the classification of potential customers, comprehensive analysis of the understanding of the potential customers on the chocolate shop, buying motivation of potential consumers with purchasing power status, the degree of shopping frequency, the preferred advertising channels, etc.

The questionnaires are carried out on 25 June 2012, in Helsinki, Finland. The target participants are selected around shopping mall, bus station, and train station and main commercial streets. Send the papery questionnaires to every participant. Then describe the purpose of collecting data and usable range of the result of the research. The questionnaires are prepared for 300 copies and sent equally to different range of age and gender. Go through the process of a part of people unwilling to fill the questionnaire and inadequate information of a part of the filled questionnaires, the whole valid copies of questionnaires is 158. The results of questionnaire are settled and represented by figures and general descriptions.

4.1.1 Participant Composition Analysis

Quantitative research produce results that are easy to summarize, compare, and generalize. (UWEC 2012)

Participant Age Composition

The range of age is separated into 6 stages. The people under 19 years old and the people over 60 years old can be two stages, because of the nearly purchasing power in those two stages. From 20 years old to 59 years old, the people are divided by each decade, for instance, which shows the stages from 20 to 29.

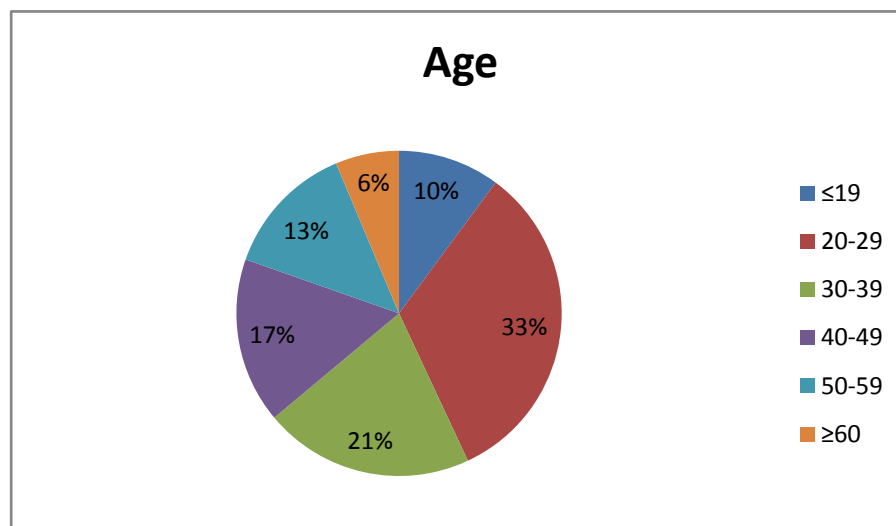


Figure 8. Participants Age Composition (n =158).

It can be seen from the above figure, the main group from 20 to 29 years old represent for 33%, the second large group from 30 to 39 years old account for 21%, then the following group is the age from 40 to 49 which is 17%. The age group between 50 to 59 and which is under 19 years old make up 13% and 10%, respectively. The people over 60 years old only occupy 6%.

The result of age composition shows that the people in young and middle age are more prefer to pay attention and willing to give time for the business of handmade chocolate, in terms of nearly equal age distribution of original participants.

The gender composition is that females accounted for 55%, 45% males. The result indicate that the female are more interest in the handmade chocolate with more patience, because for the equal gender distribution, the report back on what has been done of female is more than the occupation of male.

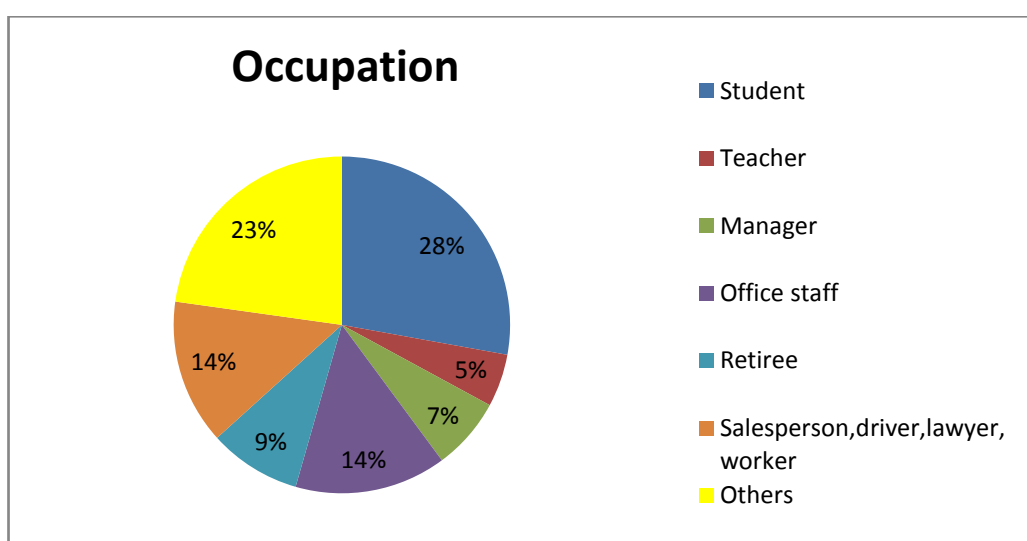


Figure 9. Participants Occupation Composition (n =158).

It can be seen from the above figure, the main occupation refers to student account for 28%, and the second rank is uncertain vocation which belongs to others means the other specific jobs but every type of them just constitute for little part. Then the salesperson, driver, lawyer make up for 14% as the same as office staff. The other categories contain teacher, manager and retires which represent 5%, 7% and 9% separately.

The result indicates that the occupation of people who are randomly and normally contacted in crowded places in working time are more related to students, salespersons, etc.

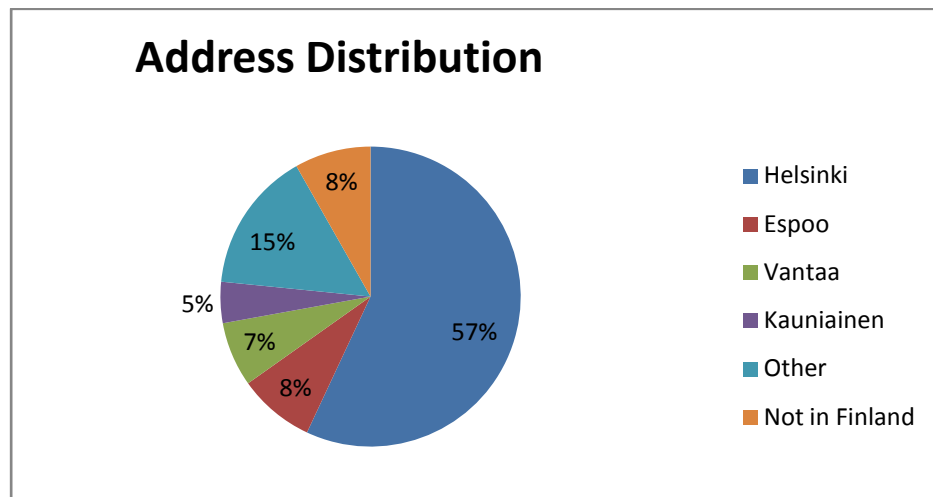


Figure 10. Participant Address Distribution in Current Situation (n =158).

It can be seen from the above figure; 57% people live in Helsinki, people in Espoo and outside Finland account for same 8%. Vantaa and Kauniainen have the demographic percentage of 7% and 5%, respectively. The others occupy 15%.

It can be assert that more than half proportion of residents live in Helsinki, Helsinki also has the high population flow rate. The people can be contacted in random situation are more likely live in Helsinki.

4.1.2 Knowledge about Handmade Chocolate Shop

In order to find the demand of handmade chocolate products in this business field, to understand potential customers' previous experience.

Target Potential Customers

The basic grasp of the purchasing power of potential customers to define the target customer groups in every decade age distance of people who are willing to pay monthly, the customer segmentation can in certain degree enhance the direction of further concentration in order to get more consumers.

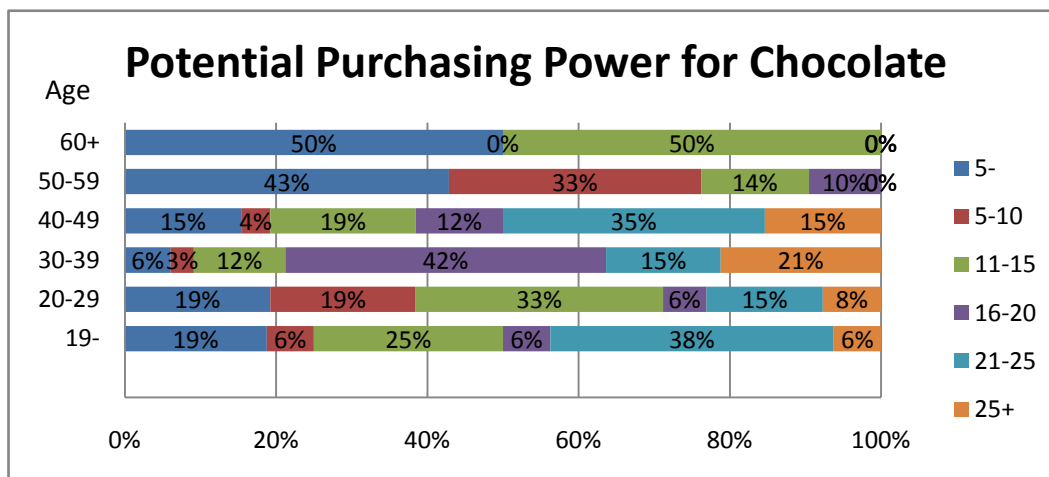


Figure 11. Potential Purchasing Power for Chocolate Monthly (n =158).

It can be seen from the above figure; the most powerful purchasing group can be segmented in the group between 30 to 39 years old which occupy 78 percent in their age group which willing to pay for handmade chocolate over 16 Euros monthly. The second powerful group is from 40 to 49 years old can afford more than 16 Euros monthly account for 62%. The more average age group is from 20 to 29, which has the highest percent in the range from 11 to 15 Euros monthly.

It can be conceded from the bar chart to recognize the target potential customers that, the middle people whose age from 30 to 39 can afford higher price of certain product. The youngsters under 29 years old are more willing to accept the average or even lower price level. The standard of price for the older can be in the lower the better.

Business Opportunities

People, regardless of age and money, likely attend outdoor activities that are the opportunities to participate in handmade chocolate for creation and entertainment. The higher rate of going outside, the more opportunities wait to be found. The outdoor activities refer to the shopping and/or likely attend the activities which are held by shops or social organization.

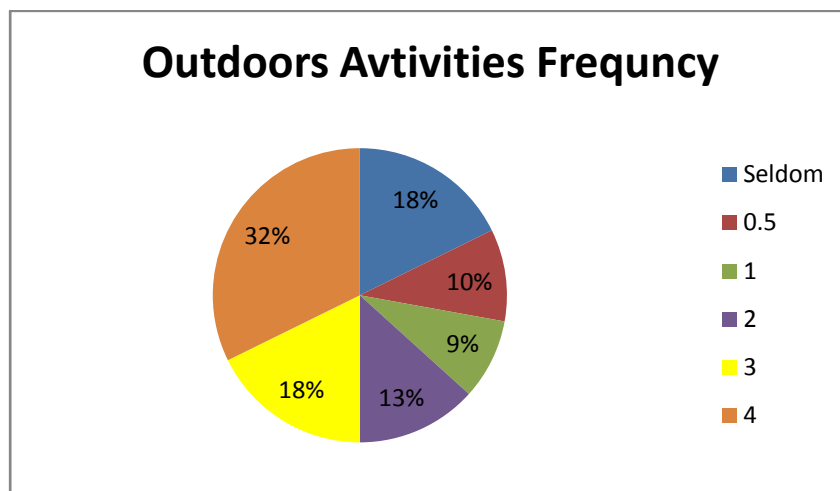


Figure 12. Outdoors Activities (Shopping) Frequency Monthly (n =158).

It can be seen from the above figure that 4 times outdoor activities in one month and 3 times on month both occupy half the whole percentage, which refers to 32% and 18 %, respectively. People go out for twice in one month make up 13%, which is larger than the people just go outside for 1 time one month and two month for one time, representing 10% and 9%. Those people who seldom attend the outdoor activities constitute 18%.

It can be conceded that most of people in Helsinki are more likely to participating outdoor activities on the weekend. The business opportunities tend to be favorable for creating handmade chocolate shop.

Brand Expansion

It is researched for the common recognition of handmade making style. To know whether the people heard the handmade chocolate before can make enterprises to understand the awareness of this kind of operation in the masses. Therefore, it is needed to choice the popular channels lead more people to know it and want to have a try. Furthermore, the choice and efficient of advertising channels indicate the possibility degree to expand the awareness and reputation of handmade chocolate shop.

The awareness degree of people heard and brought the handmade chocolate representing 56% while those people never heard and brought before which occupy 44%. The data shows that the people in Helsinki may not have deep awareness and knowledge about handmade chocolate shop.

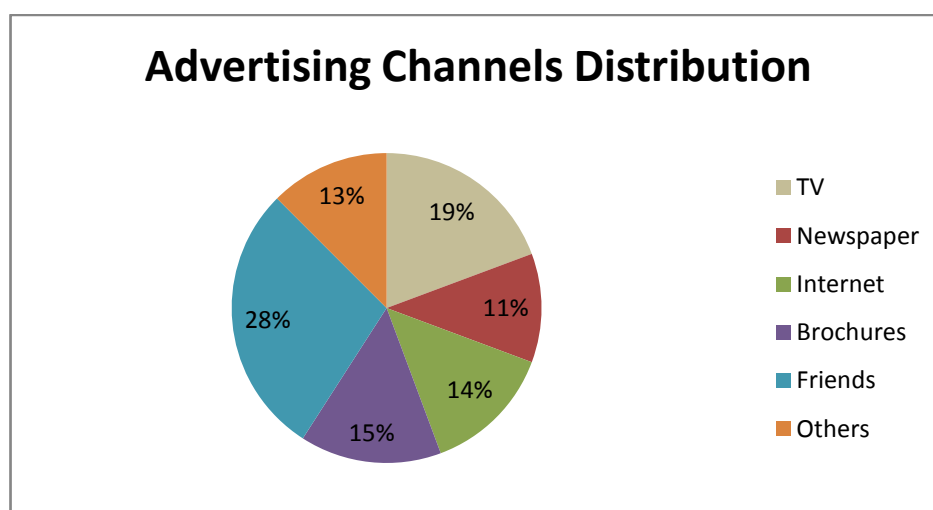


Figure 13. Advertising Channels Distribution in Daily Life (n =158).

It can be seen from the figure that the highest popular channels which people get the information in terms of handmade chocolate before is from their friends. The information get from TV represents 19%, then the following channel is brochures. People know it from internet and newspaper make up 14% and 11%, respectively. Other channels occupy 13%. It can be asserted that the beneficial announcement among friend can effectively increase the reputation and popularity, while the other channels, for instance, TV, internet and brochures can also bring the positive awareness.

Usage Composition

Tendency of the product usage can indicate the habits of universal groups, which can afford more creative and attractive items or products in specific trend to effectively get the attention or acquisition from potential customer; it is also have certain degree of value to deepen and sustain the long-term relationships.

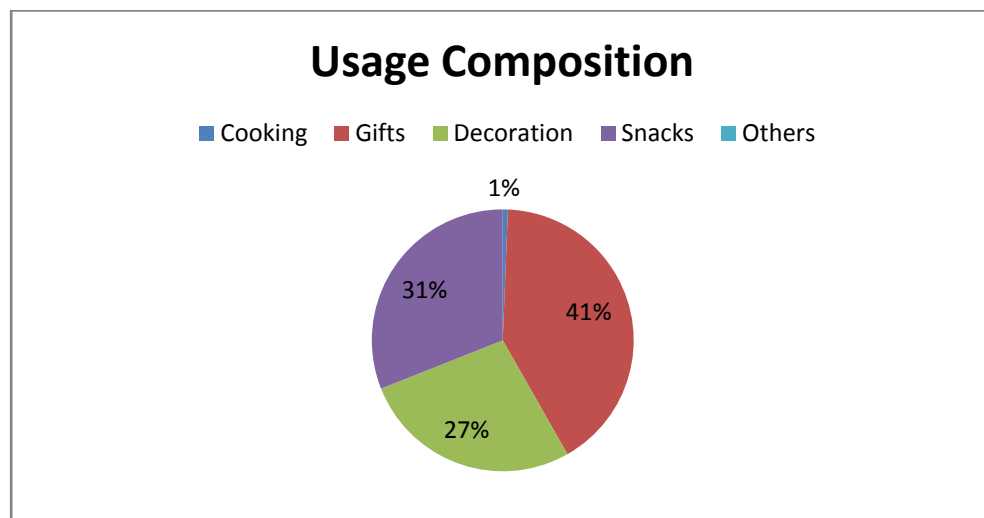


Figure 14. Usage Composition (Chocolate Used for Various Purposes, n=158).

The figure shows that the main purpose of buying the handmade chocolate is for gifts which make up 41%. The second rank is 31% of snacks. The chocolate for decoration account for 27%, while the purpose for cooking just for 1%.

It can be got the general information that total 68% of usages are for decoration and gifts, which require the exquisite packages. In some extent that, the product with lovely packages can easier get the attention for appropriate usage and motivate the impulsive emotion to buy.

Purchasing Experience

From the purchasing experience, it can be knew the preference of the masses for handmade chocolate and the market development space. As it can be seen from the result of purchasing experience, 30 percent of participants have the experience of handmade chocolate before. The rest of them for 70% haven't brought the handmade chocolate before.

It means that 70% participants haven't experience the handmade chocolate before, not even far from the DIY making procedures. This market field is more likely not exploited so much, which provide the wider market opportunity to explore the new model of DIY chocolate shops.

4.1.3 Purchase Motivation for Handmade Chocolate

This part tend to more precise information of collecting the interests degree, preference of duration, costs in one activities, and the choice of location. Those data can give us a suggestive guidance during the initial establishment, which is crucial for the future advancement. The successful enterprises are always determined by the details and initial decisions.

Marketing Resources

Universal knowledge may show the overall conditions of the preference for the handmade chocolate. The willing degree can clearly illustrate the expectation of the masses and successful degree.

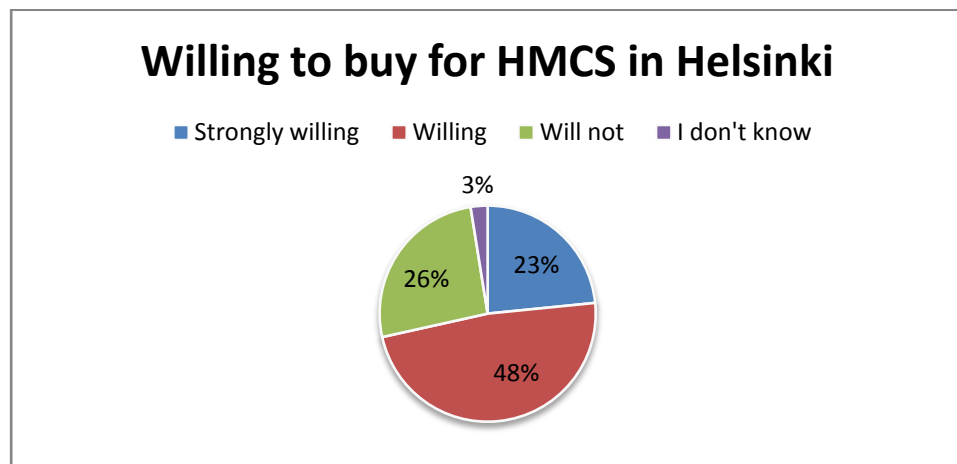


Figure 15. Willing Degree for Handmade Chocolate Shop in Helsinki (n =158).

It can be seen from the figure that for 48% participants show the willing to the establishment of Handmade Chocolate Shop if it opens in Helsinki. For 26% participants give the rejection for this shop while 23% people will give extra attention and higher expectation for the establishment. Only 3% people show no opinion for this concept. It can be known from the figure that 71% participants show the welcoming attitude for the HMCS establishment in Helsinki. This may indicates the popularity in the future.

The Preference of Location

In some extent, the decision of location plays a relatively crucial role in the whole procedures of business establishment. The good location can easily bring the attraction from passengers and profit from the encounters, which can increase the reputation and for the free advertisements. The good location may be convenient for the establishment of loyal habits.

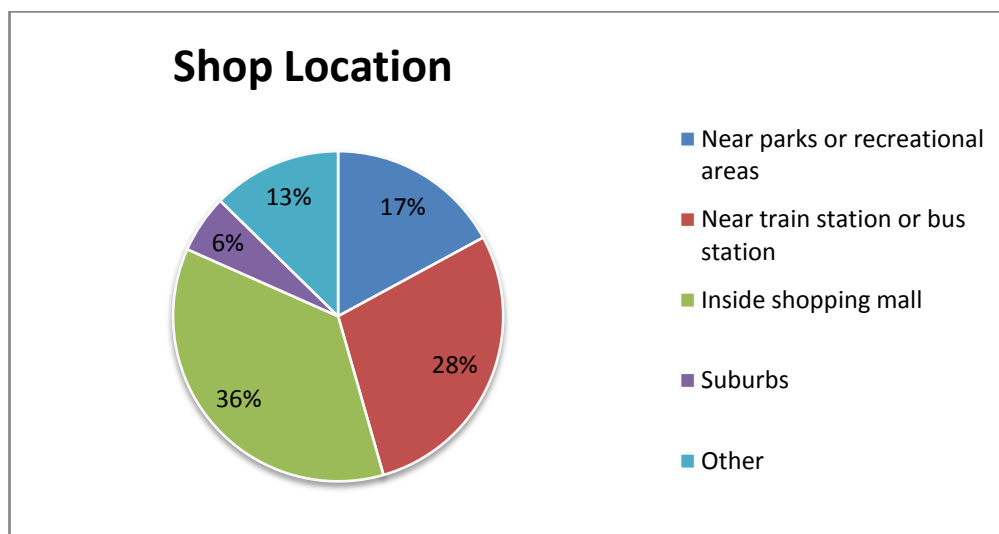


Figure 16. Preferred Shop Location in Helsinki (n =158).

It can be seen from the chart that for 36% people like to choose the shop inside the shopping mall. The participants want it near train station or bus station represent 28%. The shop, which are near parks or recreational areas and suburbs account for 17% and 6%, respectively. The rest of others occupy 13%.

It can be conceded that the location can be better in crowded places such as shopping mall or stations. It is not only convenient for the chance of the first time experience of potential customers, but also have the relatively high population and advertising effect relating to the high visitors flow rate of shopping mall and stations.

Time Consumption in Making Chocolate

The acceptable time of making the chocolate are various to individuals. In general, the duration of the whole process to make the chocolate can be designed previously and flexibly adjust to different degree of patience.

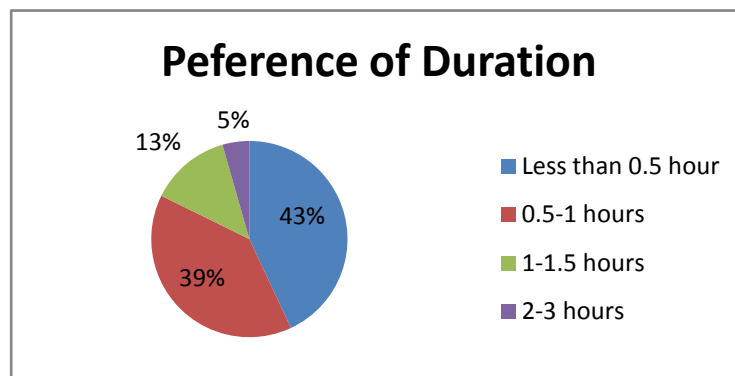


Figure 17. Preference of Duration in Making Chocolate (n =158).

As it can be seen from the above figure, the 43% participants choose the duration which is less than 0.5 hour. The people would like to spend time between half hour and one hour represents 39%. The duration between 1 and 1.5 hours is chose by 13% people, while the people likely to spend more than 2 hours just account for 5%.

It can be asserted that the lesser time for the better effect in the process of making chocolate. Generally, people want to achieve the same certain aim by using less energy and time.

Pricing of Handmade Chocolate Shop in Helsinki

How to define the best price for both the customers and enterprises is really difficult to grasp in general market. Apparently, the price make the sensitive decision of whether to buy, which means that the initial fixed price should be determined cautiously, it is better remained for a long time in beginning stage of business in order to influence the purchasing decision of potential customers and better impression of handmade chocolate shop.

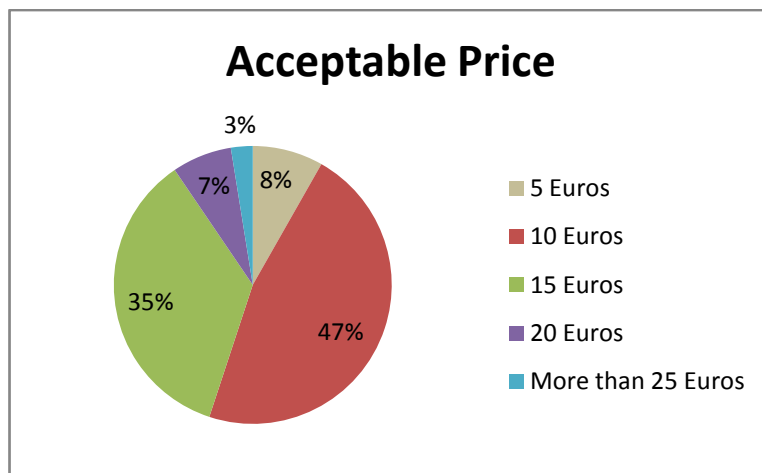


Figure 18. Acceptable Price for Handmade Chocolate (n =158).

It can be seen from the above figure that the most accepted price is 10 Euros which account for 47%. The second rank is 35% for 15 Euros. People who can accept the price of 20 Euros and more than 25 Euros represent 7% and 3%, respectively. The people can only agree with 5 Euros occupy 8%.

It can be conceded that the average price of 10 Euros and 15 Euros is more acceptable for 82% participants, when the price go up to 20 Euros; the acceptable degree is sharply declined. The lower price can arouse the customers' purchasing impulse and easily to make the purchasing decision.

4.2 Qualitative Research – Interview in HMCS

In the survey, a lot of information that what the potential customers are and what they need was gathered. Their expectation is the important reference to start this new business. Meanwhile, quite many questions and confusions were found why the respondents gave the answers in the questionnaires. Researcher has to analyze and sum up the in-depth information try to find the rules inside.

In order to find more information beyond survey, two interviews were taken from both experienced shop owner and potential customer. One of the chocolate shop owners in China was pleasant to offer information before summer vacation, questions were sent by Email in August, and then the shop owner replied with all her answers under the questions list. And among these questions, most of them are focused on handmade chocolate making procedures and operation process.

By the same time, another interview was taken with a citizen of Helsinki at the beginning of August. It was a very harmonious conversation in the Helsinki, he told us of the market information and a lot of behaviors style of Finns.

Methods Used in Research

For these qualitative researches, the interview was preferred as the most proper method. Just as Borg and Gall (1989) said, 'Qualitative research is a term with varying meanings in educational research.' Usually the output couldn't offer the visual statistics to strongly support the arguments, but provide the possible way to find the hidden information under the appearance.

How to Analyze

Qualitative data are considered to be the "rough materials researchers collect from the world they are studying; they are the particulars that form the basis of analysis" (Bogdan & Biklen, 1992, 106). In these interviews, the qualitative data are the notes; to simply the recorded information and acquire the useful info.

4.2.1 Interview in Hefei, China

Introduction

In the first interview, the questions were listed could be figured out and sent to the shop owner Yanqiu Zheng. She replied us very detail information according to the question list.

The chocolate shop called DIY Chocolate House is located in the center of the city Hefei in Anhui province, China. Usually there are two or three employees to operate all the machines. The business was started with the capital 30,000 Yuan (3800 Euros) in 2010. And the shop is about 10 square meters in the pedestrian street in the center of city.

Requirements before Business

The initially fixed inputs contain rent, fitment, studying fees, equipment, etc. More precisely, the rent and equipment occupy the most of the whole fees. The type of capital resource is individual investment.

The temperature of chocolate melting pot should be constant, they use the capacity of 6 urns, and the markets also sell the capacity of chocolate melting pot of 2 urns or 4 urns. The price of 6 urns container is 1000 Yuan (125 Euros). However, the price of this equipment has wide range for different quality.

Chocolate and cocoa butter can be bought by internet, the price is ranging but the general cost is 20-30 Yuan for one kilogram. It is equivalent to 2.5-3.75 Euros for one kilogram.

It should be at least 30-40 types of chocolate molds. These molds have various shapes, like animal, flower, princess, English letter, car, clothes, bag, pizza, ice cream, house and other daily articles. Also some shapes you cannot image that for hundred changes.

Cooling network disk is for cooling the chocolate when making the block of chocolate. Triangular chocolate shovel, for moving the molding chocolate and making the chocolate flower.

They have abundant kinds of gift packages for different requirements. There are for various situations and festivals. It remains the constant temperature for keeping in cold storage and fresh. Also used for the display of finished products. The basic sales of handmade chocolate are calculated by gram of chocolate. It means the customer needs to pay the material which they used to make to finished products.

Production Process

First of all, the customer should select the model they want, then doing the fixed process by themselves. Moreover, they can create the shape which they want by applying the model and tools in the shop.

After that, by using the specialized chocolate brick, then cutting into small pieces or crushing the brick, after the previous works, put the worked chocolate into a container, with water heating way to heat, but the chocolate temperature cannot exceed 50 centigrade, otherwise the chocolate will degenerate and lose their luster.

Until the chocolate is heated to melt completely, pour the chocolate into model, or pour into a shallow dish until the chocolate solidified before but not yet hard, at this moment, make the shape by using the model to press the chocolate.

And then put the molding chocolate into the freezer for generally chilled 20 minutes, if not strong, it needs to re-freeze. It is according to the appropriate seasonal temperature.

Then taken out of the molding chocolate into a gift box, it can also generally be written on greetings and good wishes.

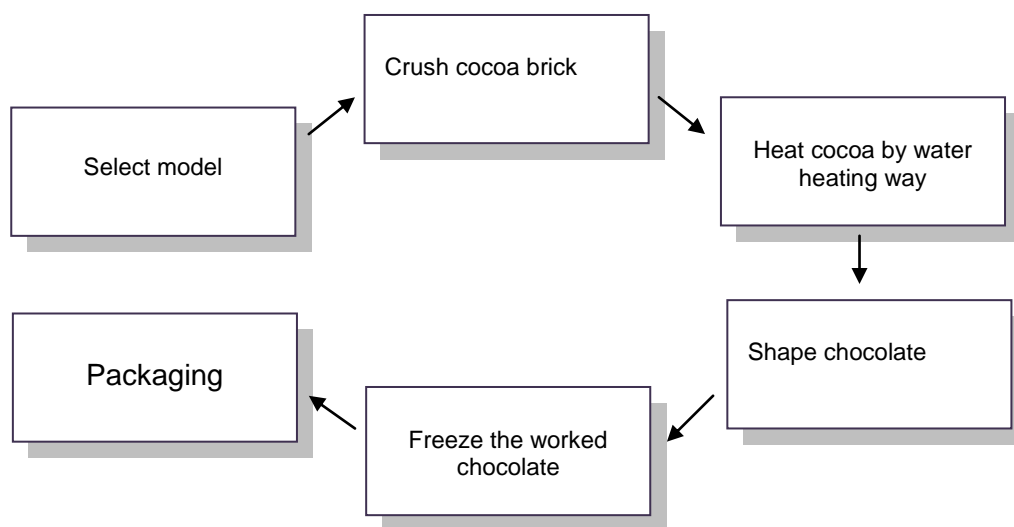


Figure 19. Production Process in Making Handmade Chocolate.

Marketing Method

The location of shop is generally chosen the city centre in prosperous area. However, the rent is relative higher. The place must have high population of people, especially the young people. The decision of location cannot be remote; otherwise it is really hard to get the attention.

The interior decoration of shop is mainly as the exquisite and lovely style. It seems more active under the special atmosphere.

When serving the customer the staff should be enthusiastic, and also introduce the production methods. The attitude should be patient and give the appropriate advice to the choice of model.

Revenue

The income is not steady every month; the general revenue is around 3000 Yuan (375 Euros). And the handmade chocolates profit is around 200% - 300% in China.

The business is better under any kind of festival, because in festival is mostly for gifts, and also customer group is young people more than 90%, especially the student. In other situation, the business is relative good in spring and summer.

The people who choose the handmade chocolate are the reason for interest, and some others think the handmade style is funny to have a try. It is meaningful as the gift for others or just makes one for themselves in person. As a matter of fact, the girls generally have deep interest for chocolate, so the girls occupy the majority of customers. Some customers are introduced by their friends, some of them just encounter the shop then feel fresh and interesting, thus want a try.

Market Expectation of Shop Owner

In recent years, the business is not bad. Owing to the DIY is still a kind of fresh production, and it is not well known by the broad masses of the people, especially in Hefei.

Hefei is the second class city which has distance compared to Shanghai. But the consumption group is a litter limited; it does not have high floating population.

Competition Environment in Hefei, China

The amount of shops in Hefei is almost 20-30. The shops are all divided into different area and the size of shops is not big. Enterprises are general considering the rent for their own business, so the location is almost not in prosperous area. Most of the shops are located around the high school or business street.

4.2.2 Interview in Helsinki, Finland

During the quantitative research period, it has been paid much attention to the respondents who were willing to talk more about the business and his/her previous experience related to the business.

Introduction

Luckily, one interviewee who is an officer; he was very happy to offer more information about the business. His name is Jesse Ahonen who is raising two kids.

At beginning, he was informed that the purpose of this interview and all the information would be recorded by the researchers. The note would be only used in the thesis report. He was informed that the topic is focused on the establishment of new handmade chocolate shop in Helsinki, Finland. Exactly what his feelings on the business idea would be welcomed.

In the first place, he was asked if he had the experience buying handmade chocolate products, and he said yes, but he also said that it is not easy to find this kind of place to purchase his favorite ones. He bought some handmade chocolate in a candy shop and all the products had been made already on the booth.

Purchase Groups

Younger are much more eager to buy chocolate products than the old. They usually eat the sweet food in the morning like chocolate. And what is more, the younger are more easily influenced by the ads on TV or internet that is why they are willing to accept the new thing easily. He said if the new shop open in Helsinki, the main consumption group must be the younger, especially in some special holidays like Valentine's Day or Christmas day. And younger people like to take the chocolate as gifts in these days. If the old buy handmade chocolate, they are mostly to use it for decoration than the gifts.

Finns Purchase Behaviors

He told us in Finland the people are quite like to buy chocolate products just like other Western countries, and they have very famous chocolate producer like Fazer. Usually they are willing to buy the chocolate products in Shopping mall or markets. And the chocolate producer also knows the strategies to show their products in the markets and some time the promotion activities. They are more like to purchase the native products which made in Finland.

Life Style

He said the Finns are mostly like to live very casual life; they are very willing to spend the weekends with their family outdoors especially in summer time. And they prefer to purchase the natural products which haven't been produced by machines. Finns are more like to make some things at home that could decorate the house using their own ideas. This could make the house warmer to live in.

Price

He was asked if he could give some advice on the price of the handmade chocolate products. He said, the handmade chocolate shop mustn't be very huge grand business in the beginning, but the business can provide the quite unique products, so the price could be a little higher than the normal chocolate products, even higher than brand chocolate products.

The machines and guidance would be provided to customers that they could make the products by themselves, he said they might not accept the model if it takes them very long time in average making speed.

Media

He was asked the best way to promote handmade chocolate products; the better to reach more potential customers by the very effective method. He said the younger are more like to spend their time on the internet nowadays even the middle age groups.

He told us Helsinki Time is very popular newspaper in Helsinki, it is a very convenient way to reach the office staffs. The citizens could buy the newspapers by the same time when they buy breakfast in the morning in R-kioskis.

He told the TV might be very expensive medium to advertising products if it would be not a big company. It is quite difficult to pay-off if invest capital on the TV ads.

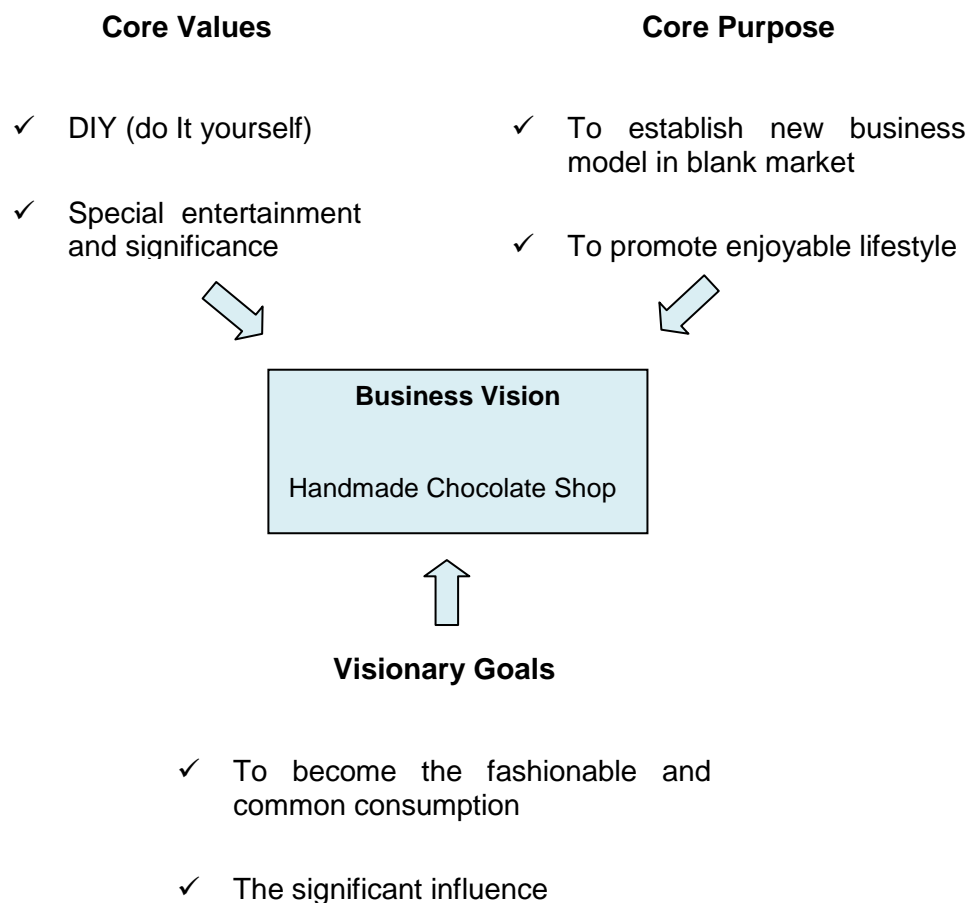
5 MARKETING MANAGEMENT IN HMCS

Marketing management is the leading marketing theme on account of the content and firm consistently reflect variation, in terms of marketing theory and actual practice. (Kotler and Keller 2012, 16)

5.1 Vision and Objectives of Handmade Chocolate Shop

Companies that enjoy lasting success which have core values and a core purpose that remain fixed, while the companies' business strategies and practices continually adapt to a developing world. (Collins and Porras 1997, 219)

5.1.1 Vision of Handmade Chocolate Shop



(Source: *Building Your Company's Vision*. Collins and Porras 1997, 222)

Figure 20. Business Vision of Handmade Chocolate Shop.

According to Collins and Porras(1997, 222), they provide a framework to deepen the understanding of business vision, and to articulate it in a mission statement. This communicates the corporation's core ideology and visionary goals, commonly constituting three components that are the core values, core purpose and visionary goals. The three components of the business vision can be portrayed as follows in handmade chocolate: (See Figure 20)

Core Values

Core values represent the deeply held values of the organization and are independent of the current business environment that is central to the firm. Provide that circumstance changed the core values would be continued as a liability. Additionally, the core values would not be swayed by the changeable industry and the same market. And it must be suitable and beneficial in the segmented markets. Core values are the necessary and lasting principles of an organization. A subset of timeless guiding tenets, it requires no external justification which means the intrinsic value and crucial to those inside the firm. (Collins and Porras 1997, 223)

In terms of handmade chocolate, the core value is the special character of products and selling process, which is DIY (Do IT Yourself). This new concept of selling can contribute to the deeper understanding of the chocolate making procedures. It is fresh and entertaining for the first-hand experience. The curiousness may arouse the motivation and emotional attraction for the potential customers. While under the competitive business environment, the big companies already establish the strong effect in terms of brand and already occupy the most of the chocolate market share. Generally, the specific and creative business can increase the attention and more easily survive in fierce competitive environment. The handmade chocolate stands for the casual and fashionable life style for enjoyment by doing it yourself.

Compared with the final product with prepared package, the handmade chocolate can be done by customers themselves which may substantially increase the sense of pride and significance, especially as a gift or decoration. It is unique for every product which is made by different people in different time. Handmade chocolate can contain considerably various materials and patterns of chocolate products, which is superior to the fixed products that selling in the market. (Baidu Baike 2012)

Core Purpose

Core purpose means the reason for existing. The core purpose isolates the certain business from other firms in market and guides the direction in the further process. The effective purpose would reports people's idealistic motivations for the company's work. It doesn't only describe the firm's output or target customers; it will also capture the soul of the firm" (Collins and Porras 1997, 224-225).

The core purpose of a business can be found by certain questions for the reason. (Collins and Porras 1997, 226) The reason for establishing the handmade chocolate shop is seeking for the business opportunity in marginal market of DIY in Helsinki, in further to set up new business model. More specifically, more imaginable reason is to promote the enjoyable lifestyle. To establish a complete business model can constitutes all aspects of business theoretical knowledge, which involves the customer segments, value propositions, channels, customer relationship, revenue streams, key resources, key activities, and key partnerships. (Osterwalder and Pigneur 2010, 16-17)

Visionary Goals

According to Collins and Porras (1997, 230-232) a “vision-level” BHAG that can be applied to the whole company and generally needs 10 to 30 years of effort to complete. The explanation of visionary goals can be generally as the lofty objectives that the management of corporation determines to pursue in a decade or more to achieve. Along with this principle the visionary goal of handmade chocolate shop is to become the fashionable and common consumption, as well as the significant influence. It may be not so easy to achieve and require far distance of aim.

However, the entrepreneur may success in reaching the visionary goal at the expense of significant stretching. The vision can be a gorgeous blueprint to image and motivate employers and employees to stretch themselves. A BHAG perhaps only have 50 to 70 percent probability of success, but the firm need to believe that they can do it anyway. It also requires much extraordinary effort, and may be a little luck. (Collins and Porras 1997, 232-233)

5.1.2 Objective of Handmade Chocolate Shop

Business objective is the target which is stated and measurable in order to motivate the personnel and enables the business to conduct the progress towards to the stated aims. (Businessobjectives 2012)

Companies create a hierarchy of objectives which will often construct a mission represent the purpose of the organization in the top layer. It will be followed by several objectives involving specific aspects, for instance, market share, customer satisfaction, employee satisfaction, dividends for shareholders, pollution and waste. It is crucial to set the specific objective which has some degree of challenges to achieve while not unrealistic. The objective can effectively motivate all the staffs with certain amount. It should be easy to understand by the readers which can better remember and implement. (THE TIMES 100 – BUSINESS CASE STUDIES 2012)

According to the above criteria, the business objective of handmade chocolate shop can be generally estimated from the entire market in Helsinki. The whole development of objectives is the establishment of personalized DIY handmade chocolate multiple shop, which requires the appropriate assistance and scheme. More specifically, the key activities relate to the required raw material, interior decoration, etc. According to the interview in China, the handmade chocolate shop sells DIY personalized handmade chocolate and other finished chocolate products, as well as the convenient teaching for customers of making handmade chocolate. The establishment of multiple shops is beneficial for the brand building in further 15 years. (Nie and Zou 2012)

At the beginning of the selling, entrepreneurs need to ensure that everyone who already come into the shop or want to try that they totally understand the whole process of handmade chocolate shop, which should be the enjoyable and entertaining experience. The basic requirement of the revenue should be balanced in one month. The first year is the advertisement and reputation building. Entrepreneurs need to let the citizens in Helsinki realize the existing of our shop.

In terms of the service that provided is for new purchasing style. The basic fundament of successful business should be the excellent awareness for the first choice. The first year focus on the establishment of customer satisfaction. On the basis of high degree of mass-based, it is easier for further development and promotion.

In next procedure, the main objective of handmade chocolate shop can be the increase of sales revenue by 20% in one year. This operation should be made the effort by all the employees and support from employers. Different market tools would be used to promote the advancement of selling, for instance, the sales promotion, the attractive activities, etc. The grasp of getting attention from customers is essential in daily work, while the quality of customer service should maintain the usual standard, even more responsible and enthusiastic.

In further 5-10 years, along with the increase of selling points, our business in one shop will remain the steady stage in one area. The implementation of establishing multiple shops can be realized in further five years. In different areas in Helsinki, entrepreneurs intend to establish other 2 multiple shops of handmade chocolate shops.

In further 10-15 years, after the mature development of handmade chocolate multiple shops, it initially expands the scope of business to enhance the significance of handmade chocolate shop.

5.2 Target Customers of Handmade Chocolate Shop

Because of the difference of customers' wants, resource, locations, buying attitudes, and buying practices, companies need market segmentation to divide large markets into smaller segments. After segmentation, companies could easily reach customer by unique product or service. (Kotler and Armstrong 2008, 216)

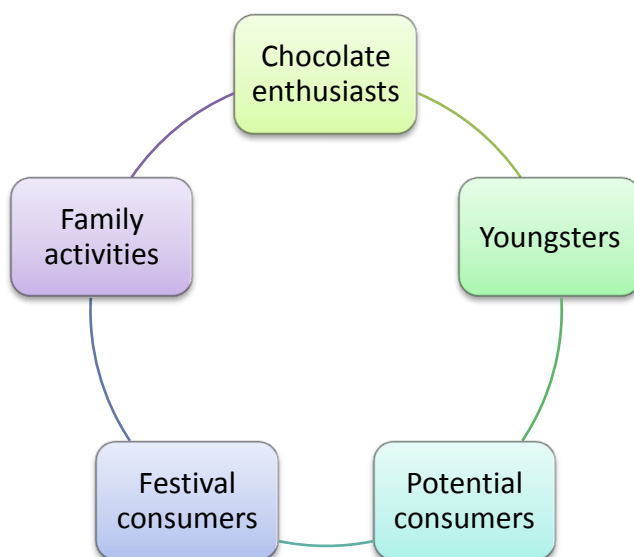


Figure 21. Target Consumer Groups of Handmade Chocolate Shop.

According to Peter and Olson (2005, 381), there is no simple way to determine the best bases for segmenting markets. In line with the different characteristics of potential customers, it can be divided into five main types. The target customers are mainly showed in Chocolate enthusiasts, which is already has deep interest in chocolate. The young people who pursue fashion and romantic styles, especially lovers, are the largest customer group. Furthermore, Family activities for parents with children and festivals consumers are occasional but critical, such as birthdays, Christmas Day. Moreover, the potential consumer groups reveal the future development of handmade chocolate shop. (See Figure 21)

Target customers include the existing demand for chocolate; either includes potential customers who have desire for chocolate products. For the existing customers, the activities may meet their desire for consumption. For potential customers, to arouse consumer their interest, and may stimulate their desire for consumption.

Usually, the youngsters would be the most powerful purchase ability and they are willing to try this kind of products or services. The younger the people willing to accept the new thing in the world, they are the motivation to expand this new business in a new place. What is more, the social atmosphere has very easy influence on the younger; they try their best to follow the fashion.

Match up with the ads and promotion; potential customers should be reached firstly in small area and try to build very loyalty relationship in this circle. After that, the marketing influence effective would be more obvious inner their circle. So the golden rule 80:20 would be useful in the marketing promotion activities. That means the marketing plan should concentrate on the 20 percent of the products or service and 20 percent of the customers. All these methods would bring about 80 percent of the sales volume and also 80 of the profit. This rule clearly define the direction what should the marketers do in the variety of actions. (Sino-manager 2012)

Beside the main potential customers, other possible customers also need pay attention to in market. Try to divide the target market into useful slices or segmentations. Segmentations here help us to satisfy the specific customers with specific products and services. For example, according to the survey result, the old are more willing to pay less for the handmade chocolate products, and then low-price products should be prepared to meet their needs, meanwhile grasp the important market share.

5.3 Perceived Value of Handmade chocolate

The perceived value of handmade chocolate generally contains the value of product, service, and package.

Product

The product value is the central element of customer needs, as well as the primary factor for customers to purchase products. (Li 2006, 323) The most importance of handmade chocolate is the product value, which refer to the pure taste, abundant nourishment, delicate and smooth, mellow flavour that melts lasting fragrance, species diversity, and varied taste. In line with the trend of today's consumer personalization, in the meantime, it can flexibly control the cost of the product. (Baidu Baike 2012)

The core product value of DIY handmade chocolate is "Let the chocolate talking". Handmade chocolate shop also affords space for customers with an experience of chocolate culture. In handmade chocolate shop, according to the different needs of their own, consumers can participate in hands-on making chocolate. Furthermore, the use of the diversified and personalized patterns, as well as the performance of their own characteristics into the production process, to fully emotionally utilize abundant colour and material of making the handmade chocolates, which contributes to each piece of chocolate is different and unique, is exactly the charm of pure handmade chocolates.

To provide services value has become the new focus of the modern enterprise market competition. Service value along with the sale of the product entities, the entrepreneur to provide customers with a variety of additional services, including product introduction, product assurance, technical training, etc. (Li 2006, 323) In terms of handmade chocolate, the DIY business actually requires and affords more service value during the introduction and guidance in the process of making chocolate.

Service

Internationalization has been very important characteristic in nowadays Finnish enterprises. Many immigrants start their own business after moving to Finland, and they prefer to employ themselves and their families. (Holopainen 2007, 5) Marketers are more like concerned about consumers' behaviour; they want to know how consumers choose products and make decisions that lead to the purchase of a particular service. (Zeithaml et al. 2009, 51)

In today's highly competitive market, the customer is no longer to just focus on product quality, price and other relevant product factors, but more experience the consumers' services which are behind the product. Therefore, the service has become a critical factor to consider in the decision-making. For this reason, our own personalized services would be launched to please consumers to improve the competitiveness. Companies that market experiences recognize that consumers are actually buying much more than just products and service. What is more crucial is those offers will do for them. (Kotler and Armstrong 2011, 249)

Faith and institution have been the most important factor which affects managers' investment decisions. Managers believe in serving customers well, and quality service made good business sense. Indeed, the dedication to quality service has been the foundation for success in many firms, across industries. (Zeithaml et al. 2009, 11)

1. Pre-sale Services

Handmade chocolate shop, installed sound, plays rhythm soothing and lively music, so that afford the customer in a relaxed, comfortable environment of production and enjoying chocolate.

Since most customers first attempt to handmade chocolate. Firstly, the staff would like to provide customers a brief description of the DIY chocolate and some of the basic production process. According to the customer's needs and then recommend chocolate fancy patterns and different flavours. Finally, let the customer decide whether it does by them or buy custom made chocolate of filling a production list. "Thus, consumers, prior to making their final decision, can see and frequently try the exact object that they buy"(Zeithaml et al. 2009, 56).

2. The Sale of Services

It is crucial that service marketers totally grasp the complete sum of options that customer view as perceived alternatives.(Zeithaml et al. 2009, 85) Before customers make the handmade chocolate, the staff must personally with customers together with clean hands, and then to the operating room. Wearing aprons and transparent disposable food gloves to ensure the health and safety of the food produced; teaching customers how to make chocolate process, with plain cordial attitude, given patient and detailed answers and explanations to the customer about the chocolate making.

Delivering quality service is based on the understanding of customers' expects. It is the essential and possible tough stage in business operations. The company might not survive in a fiercely competitive market even being wrong in only one stage. (Zeithaml et al. 2009, 75).

3. After-sales Service

After complete the products produced, provide that the customer needs as a gift, will get a free packaging. In the meantime, to maintain contact with the customer, understand the customer's needs in a timely manner, also can afford home delivery. Furthermore, feedback mechanisms, such as setting the suggestion box, fill in service evaluation form, which can be insufficient improvement, to improve service quality and customer satisfaction. Accurately promising the service about used time and channels is one of the most crucial ways to close the communication gap. (Zeithaml et al. 2009, 499)

Product Packaging

The DIY handmade chocolate as a non-standardized goods, packaging should be flexible, is lightweight and compact. This is not only conducive to the shelf life of the product and preservation, as well as help to improve consumers' desire to purchase and the value of goods.

“The firm’s physical facility serves as a client’s initial impression concerning the type and quality of the service provided” (Kotler et al. 2002, 312).

Beautify the packaging, to facilitate the sale of products and attract consumers, which is suitable for packing various shapes of chocolate, such as heart, Winnie bear, and rabbit chocolate. Those packages are in accordance with the shape of chocolate, trying to provide more lovely impression.

5.4 Product Cost Analysis and Pricing

Due to the larger initial investment, the method of the pricing applies to the cost-plus pricing to return the funds as soon as possible. Actually cost is possible the important factor to consider when deciding the price of product or service. The statement indicates a relative ranking, which has no way suggestion that costs can be or should be ignored during the establishment of prices. (Monroe 2003, 257) According to the result of interview and questionnaire, it can be asserted that the people in Helsinki may well balance the price with quality, although the famous brand chocolate is widespread in supermarket, they may afford a little higher price of handmade chocolate for experience.

Cost-plus Pricing Analysis Follows:

From the interview of the shopkeeper in China, it can be seen that the handmade chocolates profit is around 200% - 300%, along with the cost-plus pricing method to set the rate at 200%. By calculating 100 grams of handmade chocolates, the required raw material costs of approximately X, packaging costs is Y, and other costs of about Z, the comprehensive cost about X+Y+Z. So that the final price of per 100 grams product can be measured:

$$\text{Unit price} = (X+Y+Z) \times (1 + 200\%) = P$$

Although ultimately determine the price is relatively higher compared with other brands of finished chocolate, but customers enable to experience in hands-on entertainment, it is easier to occupy the share of target market and expand market share. The price can use this as a reference price in the process of final sale, according to the weight to determine the final retail price. In order to determine desired achievements, enterprise must take relative external elements in to account, such as competition, stage of the product's life cycle, demand, and internal and external economic conditions. (Monroe 2003, 268)

According to the purchasing power and preference of individuals in Helsinki, generally two different prices would be provided for the process involved in the handmade chocolate and process uninvolved in handmade chocolate.

In generally, the finished products and the activities can be provided for the people who willing to. In terms of the time, patience, and curiosity, the youngsters prefer to do it by themselves while the adults who actually owns more powerful purchasing ability they willing to choose the finished products.

To the different target customer groups, on the one hand, for the youngsters, concentrated on the enough guidance that is provided in the making process, due to the time and space, the price are determined by the weight that will be used. On the other hand, focused on the exquisite package and mould of chocolate would get the attention from adults. In addition, the little creative gifts or other promotion can maintain the relationship. The price can be decided by the piece of the finished chocolate.

5.5 Distribution Analysis

For the sales and distribution channels, in the beginning stage of handmade chocolate shop, the establishment of the real shop in Helsinki to deliver the products directly to customers.

The distribution channel deliver articles from producers to final consumers, which overcomes the used time, place, and property gaps that can divide goods and services from those who would use the articles. (Kotler and Armstrong 1996, 390)

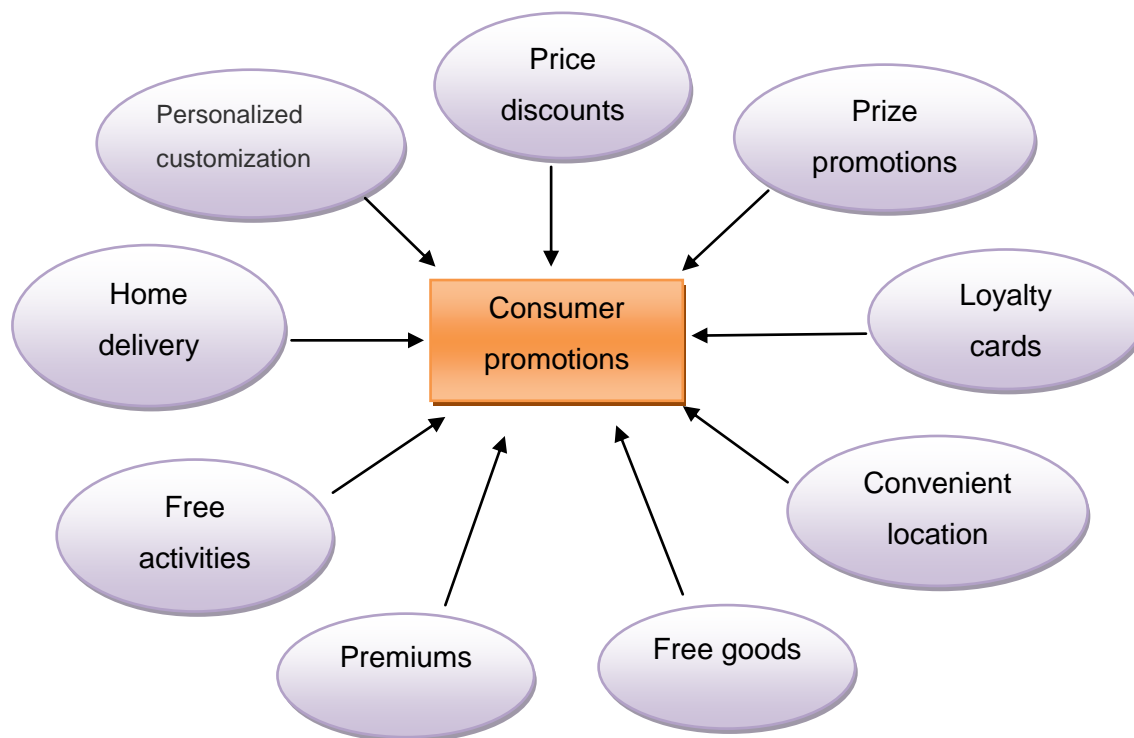
Owing to the initial stage of enterprise, the retailer would not have any intermediary business. On the one hand, to reduce the increase of the cost of intermediate links as far as possible. On the other hand, it can be better and faster to grasp the changes in market information and consumer demand to promote the product in a timely manner in order to meet consumers' requirements.

With the gradual expansion of the scale of operation, the company will consider taking other forms of distribution channels, such as E-Commerce or home delivery for more convenient purchasing.

5.6 Promotion Planning

Sales promotion is the short-term stimulation to arouse the purchase and/or sale of the product or service. Sales promotions can refer to anything from discounts to offers of extra services or presents. (Kotler et al. 2002, 331)

As a new product, through effective promotional strategies to ensure that stimulate consumer desire to buy is very essential. Taking into account the target consumer groups of customer characteristics and spending habits, a different promotional planning would be taken by separate. Generally, the promotion can aim to 6 customer types.



(Source: *Principle and Practice of Marketing*, Jobber, 1998, 421)

Figure 22. Consumer Promotions of Handmade Chocolate Shop.

According to Jobber (1998, 419) sales promotion can be used to provide a short, sharp shock to sales. In this level it probable regarded as a short-term tactical device. Provided that the promotion has attracted new consumers who find that they like the brand, then repeat purchases from firm may give growth to a positive long-term effect.

1. Parents with Children - Family Activities

Because children do not have the independent ability to purchase, thus most common purchase by the help from parents. In this situation, for the children, store design should give full consideration to their consumer characteristics, such as the commodity model showcases as glass, so that the child can see at a glance, a visual stimulus of demand, which can bring the sale from their parents.

In addition, those children who purchase any product in shop can become the Membership of DIY handmade chocolate shop. A small and free gift will receive in every birthday from DIY handmade chocolate shop. Children according to their own imagination can also produce their own chocolate. Jobber (1998, 423) said that the idea is that having tried the sample a proportion of consumers will begin to buy it. For new brands or brand extensions this form of promotion is an effective, if expensive, way of gaining consumer trial.

On account of changing customer lifestyles and the increasing number of two-income households, those people can be attracted to specialty stores that provide high-quality products, convenient locations, good hours, excellent service, and quick entry and exit. (Kotler and Armstrong 1996, 428)

2. Youngsters

For young consumers, especially the lovers, during the promotional time entrepreneur should pay attention to the publicity of a stylish, romantic and warm ambience. In the aspect of product portfolio, it is essential to produce a product combination package for couple to meet the young couple in love needs, also to meet the personalized needs of young consumers.

Furthermore, allowing them to do it by themselves, to create the works of mutual gratification or individuality masterpiece. According to Jobber (1998, 425) an alternative to a price discount is to offer more merchandise at the same price.

When the couple buy chocolates in the shop, can also to become a member, and to record their love anniversary in the year then on that day they will receive a beautiful gift by chocolate shop, therefore to train the customers becoming a loyal customer of our shop. Kotler and Armstrong (1996, 578) said that offensive marketing specifically costs more than defensive marketing, due to a great deal of effort and spending to entice satisfied customers away from other competitors.

A primary development in retailing is the offering of loyalty cards to customers who gain points every time they spend money at certain goods, which can attract customers back to the shop, then gains other advantages. (Jobber 1998, 426)

3. Festivals Consumers

Those customers more interest and require more on various festivals, like one's birthday, Valentine's Day, etc. In allusion to this kind of festival consumption, the design of chocolate can be divided into high, medium and low side, it contains various patterns, abundant tastes, exquisite packaging, and also can be scheduled and delivered to the home.

In addition, after the visits of Helsinki existing market, Café and restaurant will have larger demand for personalized chocolate – that is to say, in the festival there would be some corporations with restaurants and café. “These give added value by giving consumers extra quantity at no additional costs” (Jobber 1998, 420).

In addition to these promotional methods for specific target consumer groups, the novel store design, it plays the role of promotional merchandise. In other promotional methods, in the early days of the enterprise, the chocolate shop will be taken to the promotion and dissemination of promotional leaflets. This method can enhance the awareness of handmade chocolates. A crucial point to identify receivers is the sophistication in the communication process. (Jobber 1998, 326)

4. Convenient Purchasing

During the choice of the store's site, it should be given full consideration to the convenience of the consumers to buy. According to the result of research, the people in Helsinki prefer to the crowded place, such as shopping market, market plaza, bus station, train station. For the target consumer groups, the store's site will store located in crowded place, so the shop can close to the target consumer groups, and reduce the cost of consumers to buy.

Entrepreneurs can't choose shop site only according to the convenient principle. Having convenient places to entertain clients can be helpful, practically, because it may help to overcome the resistance of staff members to spend time entertaining and "selling" prospective or previous clients. Cost is another factor in choosing a location. How to balance the factors would be difficult for the companies. (Kotler et al. 2002, 302)

5. Loyalty Planning

Owing to the inherently attractive part of chocolate, there is the formation of a loyal customer of the chocolate, which is very essential to the development of chocolate loyal customers. The best approach to build customer retention is delivering high customer satisfaction. It would reinforce strong customer loyalty with hidden value inside (Kotler and Armstrong 1996, 578).

"Consideration should also be given to whether available sites can have interior decorating that clients find appealing" (Kotler et al. 2002, 300). Aim to this consumption characteristics of the target consumer groups, customization for chocolate enthusiasts would be launched, in order to cultivate they to become the DIY handmade chocolates loyal customer.

6. Potential Consumers

For potential customers, it will be allocated the effort to shop interior decoration and larger outreach work. On the one hand, to highlight the personality and fashion of interior style, this can get the visual attractiveness of passing consumers. On the other hand, in promotional activities, it will also steps up publicity to customers who never involved in DIY chocolate, cultivates them to be DIY chocolate consumers through activities, such as free experience.

“This makes the acquisition much more demanding in terms of integrating the two firms: it is essential to motivate and secure the commitment of employees” (Hassett et al. 2011, 85).

5.7 Financial Analysis

Financial analysis contains basic two aspects-Capital investment & VAT calculation

Capital Investment

Because large investment need obtained, some organizations reallocate their budgets in order to make more funds available for price cutting and discounting in these years. (Fill 2005, 448) The capital investment can be generally around 50,000, which includes the deposit of house, rent, equipment, raw material and interior decoration in Helsinki.

“A person residing outside the EEA requires a trade permit. The National Board of Patents and Registration (NBPR) may grant a trade permit” (Holopainen 2007, 13).

“An application fee (100 Euros) shall be paid for each decided permit” (Holopainen 2007, 14). “The notification fee of a private entrepreneur is 65€. The registration of an auxiliary trade name is 60€/name (April 2007)” (Holopainen 2007, 15).

Calculation of VAT

The amount of the value-added tax included in the taxable price can be calculated as follow: (Holopainen 2007, 93)

$$\text{Tax} = \frac{\text{Taxable price} \times \text{applicable tax rate}}{100 + \text{applicable tax rate}}$$

The general tax rate is 23 per cent of the tax-free amount or of another basis for the tax.

6 RISK ASSESSMENT OF HANDMADE CHOCOLATE BUSINESS

There are different kinds of business risks in the business activities. Many enterprises have their own risk management system to manage all the possible loss. As an important weight to win investor's investment, detail analysis is necessary.

6.1 Risks Definition

"Risk is defined as the possibility of suffering harm or loss. The higher the risk, the higher the danger or probability of harm or loss occurring." (Burlton 2001, 193)

As the follow list from Thomsett (1992), these risks are divided into many catalogs and corresponding harms happen.

<i>Types of Risks</i>	<i>Effect</i>
Commercial	The organization faces loss of market share or competitive advantage.
Strategic	The organization's strategic plan is compromised.
Financial	The investment in the project is lost, and the benefits aren't accrued
Technical	Key technology platforms are compromised
Legal	The organization is exposed to legal procedures, including prosecution
Political	The organization violates government requirements.
Fraud	The organization is exposed to fraud and security violations.
To image	The organization faces loss of public image.
To capability	The organization can't retain or acquire the human skills and competencies to deliver or won't change its beliefs and behaviors.
To scalability	The organization won't be able to handle an increase in market share

Table 4. Types of Risks.

In the handmade chocolate business, there are three obvious risks; they are commercial risk, financial risk and legal risk.

Commercial Risk

In the Finland market, there many chocolate production companies. They all make business strategies for long-term and short-term in each financing period. As a small business, the owner should also keep eyes on the competitors. The preparation before risk is necessary prevents business from loss.

Difficult must be in the operating process, business should have a very complete business system, for example, Logistics, Banking system and so on.(Thomsett 1992, 12)

Financial Risk

The interest rate and accounting statistics are always fluctuating which puzzle the finance department in every company. Even the handmade chocolate is a small business, but the raw materials purchase, production and sales all involve in the capital and cash flow. (Thomsett 1992, 14)

Legal Risk

“The risk of loss when investing in a given country caused by changes in a country's political structure or policies, such as tax laws, tariffs, expropriation of assets, or restriction in repatriation of profits.”(Investorwords 2012)

Each country has its own legal system; the shop owners should learn and obey the laws especially in the business field.

6.2 Risks Management

“Risk management is a process for identifying, assessing, and prioritizing risks of different kinds.”(RISK 2012)

Risk management is an important part of planning for businesses. The process of risk management is designed to reduce or eliminate the risk of certain kinds of events happening or having an impact on the business. (RISK 2012)

Goals of Risk Management

The idea behind using risk management practices is to protect businesses from being vulnerable. Many business risk management plans may focus on keeping the company viable and reducing financial risks. (RISK 2012)

However, risk management is also designed to protect the employees, customers, and general public from negative events like fires or acts of terrorism that may affect them. Risk management practices are also about preserving the physical facilities, data, records, and physical assets a company owns or uses. (RISK 2012)

Managing Risk

While a variety of different strategies can mitigate or eliminate risk, the process for identifying and managing the risk is fairly standard and consists of five basic steps. (RISK 2012)

- Threats or risks are identified.
- The vulnerability of key assets like information to the identified threats is assessed.
- The risk manager must determine the expected consequences of specific threats to assets.
- Figure out ways to reduce risks
- Prioritize the risk management procedures based on their importance.

Strategies of Managing Risk

There are as many different types of strategies for managing risk as there are types of risks. These break down into four main categories. Risk can be managed by accepting the consequences of a risk and budgeting for it. Another strategy is to transfer the risk to another party by insuring against a particular, like fire or a slip-and-fall accident. Closing down a particular high-risk area of a business can avoid risk. Finally, the manager can reduce the risks negative effects, for instance, by installing sprinklers for fires or instituting a back-up plan for data. (RISK 2012)

7 CONCLUSION

As it was described, most of the entire elements in the process of establishing the Handmade Chocolate Shop were analyzed; the figures in this research indicate positive trend in potential customers, in terms of the acceptability and expectation. The target customers can be basically defined in line with the purchasing power, to concentrate on the youngsters and middle-aged person, who have more interest to handmade chocolate and more powerful purchasing ability. Promotions for handmade chocolate shop are more diverse and attractive. According to the result of research, the market resources are still available for this new business model. More specifically, the customer groups require the average or lower price, and more convenient location of the shop.

The first interview clearly illustrates how to operate the production of handmade chocolate, according to the interview to generally estimate the initial investment in Helsinki. The second interview offer detail information refers to Finns' consumption behaviors, as well as the crucial external environment analysis in Finnish market. Base on those two interviews, it can be generalized for more aspects such as the SWOT analysis and marketing strategies in handmade chocolate shop. The entire information shows the positive tendency that the handmade chocolate can make profit.

In the entire process of conducting the thesis, the initial preparations were not so difficult. During the period of practical research, the obstacle is the accuracy of collecting the relevant information. Furthermore, the initial data cannot directly show the facts; those data should be analyzed by proper tool, and in orderly procedures. The data analysis can be conducted by the relevant knowledge, especially statistic and research skills. The problem in the research is lack of reference object of handmade chocolate shop, so that is more difficult to find a real investor.

Overall, through the planning and investigation, it can be said that establishing a handmade chocolate shop in Helsinki, Finland might be a lucrative investment. This research offers a systematic method which is beneficial for potential investors. In the entire research process, the information gathering was limited in some extent. Furthermore, the data in this report are not all the up-to-minute information which may be misleading to the research.

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APPENDIX

Survey of Establishing Handmade Chocolate Shop in Helsinki, Finland.

Dear Ms/ Mr

We are students from International Business Programme of Savonia University of Applied Sciences, in Varkaus. We are now working on our thesis topic of **Establishing Handmade Chocolate Shop in Helsinki, Finland.**

It might take you **around 3 minutes** to answer the following questions for the survey research. The output will be used only for our thesis research and mustn't be used for other purposes.

Section I: Personal Information

1. In what age group are you?

- ☐ 19 and under
- ☐ 20 - 29
- ☐ 30 - 39
- ☐ 40 - 49
- ☐ 50 - 59
- ☐ 60 +

2. Gender:

- ☐ Male
- ☐ Female

3. What is your current occupation? _____

4. Where do you live?

- ☐ Helsinki
- ☐ Espoo
- ☐ Vantaa
- ☐ Kauniainen
- ☐ Other, what? _____
- ☐ I don't live in Finland

Section II: Knowledge about Handmade Chocolate Shop

With respect to find your demand of handmade chocolate products in this business field, we try to understand your previous experience in this section.

5. How much money would you like to spend for chocolate products per month?

- ☐ Less than 5 Euros
- ☐ 5-10 Euros
- ☐ 11-15 Euros
- ☐ 16-20 Euros
- ☐ 21-25 Euros
- ☐ More than 25 Euros

6. How often do you spend the weekends with your families or friends outdoors?

- ☐ Seldom
- ☐ 1time/ 2 month
- ☐ 1time/ per month
- ☐ 2 times/ per month
- ☐ 4 times / per month

7. Have you ever heard about the Handmade Chocolate or DIY (Do it yourself) Chocolate before?

- | | | | |
|------------------------------|----------------|---|-----------------------------|
| <input type="checkbox"/> Yes | If Yes, Where? | <input type="checkbox"/> TV | <input type="checkbox"/> No |
| | | <input type="checkbox"/> Newspaper | |
| | | <input type="checkbox"/> Internet | |
| | | <input type="checkbox"/> Brochures | |
| | | <input type="checkbox"/> Friends or peers | |
| | | <input type="checkbox"/> Others _____ | |

8. Have you bought handmade chocolate products?

- | | | |
|------------------------------|----------------------|-----------------------------|
| <input type="checkbox"/> Yes | If Yes, Where? _____ | <input type="checkbox"/> No |
|------------------------------|----------------------|-----------------------------|

9. What purpose did you buy the handmade chocolate products for?

- ☐ Cooking
- ☐ Gifts
- ☐ Decoration
- ☐ Snacks
- ☐ Other purposes, what? _____

Section III: Purchase motivation for Handmade Chocolate

10. Would you be interested in handmade chocolate products if it opens in Helsinki, Finland?

- ☐ Strongly willing ☐ Willing ☐ Will not ☐ I don't know

11. Which place do you prefer to participate in chocolate making process in the shop?

- ☐ Near parks or recreational areas
☐ Near train station or bus station
☐ Inside shopping mall
☐ Suburbs of Helsinki
☐ Other places _____

12. How long are you willing to participate in chocolate making activities?

- ☐ Less than 0.5 hour
☐ 0.5-1 hour
☐ 1- 1.5 hours
☐ More than 2 hours but less than 3 hours

13. What is the acceptable price for you to participate in handmade chocolate making (one person in 1 hour)?

- ☐ 5 Euros
☐ 10 Euros
☐ 15 Euros
☐ 20 Euros
☐ Over 20 Euros

Thank you for your cooperation!